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16 APRIL 1987

# Sub-Saharan Africa Report

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RSA NEIGHBORS GEAR UP FOR POSSIBLE AIR EMBARGO

Johannesburg THE STAR in English 17 Mar 87 p 10

[Text]

Neighbouring countries are preparing themselves to become South Africa's gateways to the world. It is now clear that Botswana, Lesotho and Swaziland are improving and extending their facilities to cope with a possible air embargo against South Africa.

In less than three weeks' time, on March 31, a British Caledonian jet will take off from Gatwick airport near London to establish a direct link between England and Botswana. Some observers already call this the first step in transforming Sir Seretse Khama Airport into "the new Jan Smuts".

Significantly, Botswana has been expanding its airlinks with the rest of Africa and recently, advertisements were carried in Botswanan newspapers for vacancies in technical jobs at Sir Seretse Khama Airport.

There are now links between Botswana and Kenya, Zimbabwe, Zambia and Tanzania from where airlines fly to several European capitals.

An important link between Gaborone and the outside world, as far as South Africans are concerned, are the flights from Sir Seretse Khama Airport to Harare which have now been expanded to five times a week.

On October 31 SAA will lose its most lucrative route when it terminates its services to Australia as part of the Australian Government's package of sanctions.

The Australian airline Qantas no longer flies to Johannesburg but has a weekly flight to Harare.

If Zimbabwe implements the threat to cut the air links between Harare and Jan Smuts, South African passengers will be obliged to first go to Gaborone and then to Harare before flying on to Australia.

FLIGHTS TO BRITAIN

There is a lucrative market to be gained there. The Australian airline has disclosed that about 85 percent of its passenger traffic with Zimbabwe is on its way

to or from South Africa.

From Harare there are also flights to Britain.

Air industry experts warn, however, that much remains to be done at Gaborone's international airport if it is ever to be able to handle international air traffic in great volume.

Mr Sam Kongwa, a researcher at the Pretoria-based Africa Institute, said that Harare had made contingency plans to cut air links between Zimbabwe and South Africa on December 31 last year. This, however, had to be postponed because Zambia, which was supposed to announce the same measures, refused to go along at the last minute.

However, it is clear that despite the last minute reluctance to apply the embargo, neighbouring countries are preparing themselves for such an eventuality.

The Lesotho Minister of Transport and Communications, Colonel Pgili Mokhantso, went to the United States and Europe last month to look for a medium-range aircraft to extend the services of Lesotho Airways.

Lesotho Airways sources said the airline wanted to provide a service to residents in South Africa who could not fly to some African countries because of the ban on SAA flights.

This week Swaziland's prime minister, Mr Sotja Dlamini, opened a R6.5-million airport control tower at Matsapha airport which, he said, was an important step in developing the country's airlinks.

Mauritius is building new access roads and a new terminal at its international airport, and is regarded as perfectly placed to handle traffic between South Africa, Australia and the East.

At least seven international airlines — British Airways, El Al, Iberia, KLM, Lufthansa, Olympia and Swiss Air — fly to Johannesburg with stops in Nairobi.

Other airlines have stop-overs in Brazzaville and Kinshasa. SAA has stop-overs in Cape Verde's Ilha do Sal.

Even if the African countries imposed a ban on stop-overs of flights bound to or from South Africa, no mention has been made of their denying overflight rights to airlines which might decide to have direct flights to and from South Africa.

## ANGOLA

### BRIEFS

**ECONOMIC DELEGATION VISITS MOSCOW**--In Moscow, where Comrade Mambo Cafe is now, Angola and the Soviet Union are discussing the development of economic ties. According to a dispatch yesterday from ANGOP, the Angolan official was received by Konstantin Katushev, chairman of the USSR's State Committee for Foreign Economic Relations. Comrade Maria Mambo Cafe leads the Angolan delegation participating in the proceedings of the fifth session of the Angola-USSR joint cooperation commission being held in Moscow. During the talks, the implementation of construction contracts with Soviet technical assistance and cooperation in energy, petroleum, mining, agriculture, and transport will be examined. [Text] [Luanda Domestic Service in Portuguese 1200 GMT 25 Mar 87] /9599

**BRAZILIAN, ZAIRIAN CITIZENS EXPELLED**--Two foreigners, one Brazilian and the other a Zairian, have been expelled from Angolan territory. According to a communique from the Ministry of External Relations, the Brazilian, Ademir Viana, 30 years old, with passport No 796,118 was expelled for illegal possession of explosives. The Zairian citizen, (Matuben Dantone), with passport No 78071/86, single, 23 years old, was expelled for falsification of passport and false identity. [Text] [Luanda Domestic Service in Portuguese 2300 GMT 24 Mar 87] /9599

CSO: 3400/319



SANKARA ADDRESS TO ISLAMIC SUMMIT CONFERENCE

Ouagadougou SIDWAYA in French 30 Jan 87 pp 3-4

[Speech by Captain Thomas Sankara, head of government, to the Fifth Islamic Conference in Kuwait; date not given]

[Excerpts] Your Highness:

Mr Chairman:

Today more than yesterday, the world resembles a jungle functioning on the basis of social and economic injustice, state terrorism, intimidation, and the selfishness of states and communities--a world where the law of the strongest is on the way to becoming everyone's law. It is a world where the shameless exploitation of man by man and domination of the majority by the minority are being practiced more and more openly without shame, without any voice being raised to denounce them, and without any world organization such as our own doing anything to stop them.

The Organization of the Islamic Conference [OIC]--our organization--cannot remain indifferent to this situation. It must not be a group that uses the support and mobilization of men and states linked together by a common belief in Islam for other causes that are often far removed from the basic noble principles and fundamental precepts of the Koran. The OIC cannot remain indifferent to the legalized oppression and pogroms engaged in by certain powerful states against entire peoples who are thus forced into wandering exile and whose fight for freedom and dignity is cynically called terrorism.

Here I am thinking of the Palestinians, whose inalienable right to live free in the land of their fathers is being denied them and some of whose fighters were born during the Palestinian people's long peregrination in search of a country to take them in.

From within the Sahel, the Burkinabe people are living that nightmare in solidarity with the Palestinian people, because those men, women, and children--the victims of the greatest injustice in history because they have been despoiled of their land, humiliated, wounded in their honor and dignity, and seen their rights flouted--must be supported with a view to achieving



their self-determination and founding an independent and sovereign state under the clear-sighted leadership of the PLO.

What did our organization do when the big powers, impelled by their arrogance, pursued the PLO and bombed its headquarters in Tunis? What did we do when Zionism, moved by the need for a Hitler-style final solution, massacred hundreds of Palestinian children in Chabra and Chatila? What did we do when Libya was bombed by planes from U.S. aircraft carriers and bases in Europe and the Mediterranean? We maintained a guilty silence even though those tragedies affected men belonging to the peoples in whose name we are meeting and talking today. Worse than that, are there not direct responsibilities among us for certain distressing events experienced by the Palestinian people?

Your Highness,

Mr Chairman,

I would also like to take the opportunity provided me by this Islamic Summit Conference to express my people's viewpoints on the Arab-African relations woven by history and geography. At a given moment in the advance of peoples, the Arabs and Africans, because they were faced with the same problems, the same oppression, and the same exploitation, discovered in each other the response or echo to their own struggles. As a consequence, the ties of solidarity, friendship, and fraternity, and with them the ties of cooperation that have developed between Black Africa and the Arab world, have found a much more powerful and suitable framework in which to combat the same evils.

Arab-African solidarity has indeed been manifested in many circumstances. But because of the failure to encourage it and provide it with a structured framework capable of keeping it alive, that cooperation quickly ossified, giving those who desired it the opportunity to resume relations with the Zionist state. Although the reasons given here and there as justification for that new alliance scarcely conceal that surge of betrayal, it must be admitted that their wording has very often embarrassed us because it reflects a genuine disappointment and a sometimes shared frustration.

You condemn Zionism. But how can we weaken and destroy Zionism if we strengthen it by pushing our allies of yesterday into its camp? Even though some of those allies were not very committed, we should have kept them and strengthened them.

Those among them who tried to remain faithful to the principles of Arab-African solidarity and fraternity were sorely tested by the inconsistency, diversions, and one-way nature of our relations.

Statistics could show that as part of that cooperation, much Arab money has been invested in certain African countries. That money is truly essential for creating happiness for our peoples, but as far as we in Burkina Faso are concerned, our friendship is not based solely on a financial balance sheet, because there are rich states with which we do not cooperate, preferring other and sometimes less well-off states in their place. Our friendship respects

principles of solidarity and human warmth that no fortune can buy. At that level, it must be recognized that our expectations have not always been met. Our relations have become like those governing our cooperation with other rich countries. How many Arab leaders have visited our African countries? Certainly very few! Under those conditions, it is difficult to give our struggle permanent vigor and objective organization instead of the sporadic and insufficiently thorough contacts we have at these summit meetings.

You Arabs generally have more contact and dialogue with the Americans and other Westerners than with us Africans. You put the Americans in the same class as those who support the enemies of Arab unity. But still, as I just said, you have closer contacts with them. So how do you classify Africans? How do you classify those who are there with you combating Zionism, racism, colonialism, neocolonialism, and imperialism?

Your Highness,

Mr Chairman,

To conclude my address, I would like to bring up a subject which, although not included on the agenda for our summit conference, merits a few words: I would like to talk about the project for the Institute of Black Peoples [IPN].

I bring up this subject to simply thank and pay tribute to the Organization of the Islamic Conference, which at its 16th ministerial conference was kind enough to pay special attention to that project by adopting a resolution devoted to it.

One of the project's chief objectives is to seek the building of universal civilization through dialogue and cooperation with the peoples of other communities as equal partners. It seeks aware, voluntary, and solidary participation by the black peoples in the Islamic Ummah through the building of worldwide civilization.

Those objectives mean that the IPN is not a project for Burkina Faso but a project for the OIC—a project for the entire world.

Burkina Faso decided to initiate this project because it feels that any development project has a cultural dimension and that blacks should have a structure for dialogue that will not be antagonistic to other such structures but complementary to them. In that spirit, the institute must be kept free of temptations to engage in opposition and safe from racist concepts. Men of good will are already taking part in it. They come from Europe and America, they are Arabs, they are of all religions, and they are of all philosophical persuasions.

Mr Chairman,

In that institute, researchers are determining what the black man has contributed to others, what he can expect from those others, and how to harmonize that fraternal life and rise above skin color to see only the man.

While reiterating to you my very hearty congratulations on your outstanding election as chairman of our conference and my gratitude to the Kuwaiti people for their warm welcome and cordial hospitality, I assure you of the complete willingness of my country, Burkina Faso, to work together with all brother states belonging to our organization on behalf of peace, well-being, and concord among nations and peoples.

I thank you.

Fatherland or death. We shall overcome!

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CSO: 3419/79

ABUSES COMMITTED BY PREFECT DENOUNCED

Abidjan FRATERNITE MATIN in French 25 Jan 87 p 2

[Article by Kebe Yacouba]

[Text] Once upon a time there was....a governor. Excuse us--a prefect. He loved power, the honor involved, and everything which allowed him assert his authority. The people feared him because he embodied a certain threat of terror. Each of his appearances in the streets, in the markets and in the poor quarters has been reported in the local papers. He was also, and at the same time, commissioner of police, commander of the gendarmerie and president of the court. Thus he could have citizens arrested and then decide whether they were guilty of having done this or that. Small businessmen, government employees, truck drivers and the unemployed have already paid the price of his excesses.

The prefect also had a very definite penchant for public meetings and speeches. And on these occasions, he was able to exchange the stick for the carrot. He was eloquent, and he always found the proper words for making an intelligent appeal for peace, unity, solidarity and dialogue. But in the daily exercise of his authority, dialogue had a very low priority. He always preferred the forceful method. He was a prefect unlike others. For to his official functions, parallel roles were added, since he was also a baker and an owner of plantations and taxis.

His commercial activities played an essential role in the local economy. And a sort of monopoly in that marketplace may have been established. None of this would have been very serious if he had shown fairness and tolerance toward his competitors. But this was a man who believed himself to be above the law. The slightest opposition to his desires might make his subordinates vulnerable to serious difficulties. And his relationships in higher circles made this possible.

For example, government employees were transferred on the basis of mere reports accepted in Abidjan as gospel truth, whereas the reasons for these penalties lay elsewhere. For this prefect confused the professional and private lives of his subordinates. As to his proteges, they had important status in the department and they too could commit abuses with impunity.

The municipal democracy was to deal his previously absolute authority a harsh blow. Today he is no longer the sole authority in the town, since it has been made into a commune. Stripped of his basic authority, the prefect has since been reduced to "inaugurating garden shows." He reigns, rather than governs. His duties have become more honorific than executive. The excesses of a mayoral personage conducting himself like a young prime minister and with superb connections brought him down, in the end. The balance provided by a municipal authority which is closer to the people and is obliged to listen to them has finally forced this prefect to show more reticence and restraint in his activities.

But he has not lost everything. He is, after all, the representative of the executive branch in his department. By this token he has sponsorship of all the ministries. In the past, these responsibilities of his have only been acknowledged in theory. Only the minister of civil service has decided to give the prefects full power to act on his behalf in their departments. With this delegation of authority, which became effective at the beginning of January 1987, it is suggested that the prefects pay unscheduled visits to the administrative departments to see if the agents are at their work posts, to ensure that they are working efficiently, and to suspend the wages of agents whose situation is found to be irregular. This gives this unusual prefect a fine opportunity for reestablishing the authoritarian practices of the past. For these are important powers which some might use for the purpose of settling accounts. As was done in the past. It is on this level that the concern of a number of government employees in the interior, who remain convinced that abuses are inevitable, is justified. Now Minister J.J. Bechio believes that it is basic to link the prefects with the defense of his recovery policy, so that permanence and continuity in the administration can be assured.

But the fears of these employees are also legitimate. And as confidence does not preclude control, it is to be hoped that provisions will be made on the level of the Ministry of Civil Service to establish the real justification of certain penalties. In the name of justice.

While the overwhelming majority of the prefects have a noble sense of their duty, the fact remains that a handful are still devoted to practices which the democratization of political life in the Ivory Coast is in the process of eliminating. Gradually.

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CSO:3419/98



FULL REFORM OF MONETARY SYSTEM URGED

Abidjan FRATERNITE MATIN in French 27 Jan 87 p 29

[Article by Diaby Aboubakar]

[Text] For a certainty, the American dollar reveals the world economy in its true colors. Strong or weak, the greenback sets the tone for the other currencies and the economies of the non-American countries, where it dictates whether there will be cloudy or fair weather.

The matter is the more serious since the international picture has been seriously weakened by all of the economic, social and political crises upsetting it. The erratic fluctuations of the dollar in turn make any possibility of adjustment unpredictable.

This situation created by the dollar bears spectacular witness to the flagrant incapacity of the monetary system to ensure proper management of the rates of exchange and stability in the world economy. The dollar, having become the epicenter of monetary and financial activity through the action of the SMI, seems, in the effects of its fluctuations, like a slipknot controlled by the United States, which thus has the rest of the world at its mercy.

Will this continue to endure? Will the international community settle for such a situation? We think not, in view of the discussion provoked by the need for reform of the international monetary system as a result of the numerous criticisms made of the floating rates.

It is true that steps have been taken to deal with the most urgent issues--the strengthening of the coordination of the exchange markets and the adoption by a number of the PVD of floating rate systems (with the float being assisted or free).

But this is not enough, since the imbalance in the present system has caused substantial disparities in the rates of exchange to develop without succeeding in serving as a support for a system of open exchange or making the national economic policies compatible with enduring world economic growth.

In addition, it is important to reduce the role of the dollar, which gives the United States a privileged income. Out of a total of \$4.36 trillion



circulating in the world, more than \$1.5 trillion are circulating outside the United States. This gives additional supremacy to this country, as compared to the others, and makes any reform profoundly difficult. The fact remains that such reform is desired, and a number of theses have been put forth. Some urge the index solution, as was the case at the Tokyo summit meeting, while others favor the establishment of a single international currency accepted by all, which would be issued by a special world bank. The intermediary thesis suggests a monetary system synthesizing the system of fixed parity, which was eliminated with the Jamaica Accord in 1986 because it was too rigid, and the system of floating rates, under which disparities and overvaluation have become endemic.

In order to do this it would be necessary to establish goals for the principal zonal currencies. Each of these theses has its advantages and its disadvantages, which need to be analyzed and quantified in order better to understand them.

In the meantime, and within this framework of agreement, it is important for the African countries, individually or collectively, to search for monetary solutions suited to their economic situations. But what is the status of the proposal to create an African currency? Didn't Europe invent the ECU to protect itself against erratic dollar fluctuations?

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CS0:3419/98

EXISTING NEED SEEN FOR ECONOMIC JUSTICE, NOT AID

Abidjan FRATERNITE MATIN in French 28 Jan 87 p 2

[Article by Jean-Pierre Aye in the column "My Open Letter"]

[Text] My dear Julien:

Economics is certainly the business of those with experience, as you are accustomed to saying. And one cannot venture into this field without having taken the usual precautions, if only to avoid displaying too much ignorance!

But then I wanted to understand--not much, only on a basic level--the consequences of these green bills, the dollars, which curiously and paradoxically, as the rate varies upward or downward, are such a serious threat to the economies of the developing countries. And ours is not spared this more than worrisome situation.

If one takes a close look, as one of our colleagues wrote yesterday, it is not only the dollar which is at issue, but rather the entire monetary system, which represents in fact the institutionalization of injustice which is being tolerated in foreign relations and foreign trade.

And one must wonder how Europe, North America, all these continents and all these countries made up of right-thinking men full of verbal generosity, can contribute to the development of the Third World, to eliminating famine, to improving health in our countries by protecting such an unbalanced monetary system.

How can these continents and these countries hope to achieve demonstrable results in the implementation of their aid policies if that aid must serve to deal with the most urgent problems, to provide make-shift rather than enduring solutions?

How can one maintain one has contributed to the development of our countries when the exchange systems bleed us of 10, 20, 50 or a 1,000 times as much as we are given? And this to the benefit of those who assuage their consciences by parsimoniously distributing the crumbs which fall from their table, rich as they are thanks to the "huge profits" resulting from the deterioration in the terms of trade and the decline in the costs of raw materials.

The truth today is that our countries do not want to be aided any more. Or at least they would like to be given definitive help through the establishment of a more just monetary system, through the stabilization of raw materials costs.

Above all, let no one accuse us of wanting to revolutionize the world, when all we want is justice to correct the upsets into which their North has plunged our South since time immemorial!

Until next Wednesday!

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CS0:3419/98

EXPORT EARNINGS AFFECTED BY DOLLAR DECLINE

Abidjan FRATERNITE MATIN in French 27 Jan 87 p 28

[Article by Hien Solo]

[Text] The year 1986 was a relatively fortunate and satisfactory year for our country. It is true that not all of the difficulties were eliminated, but the lights have switched to green again. Coffee and cacao brought the peasants a total income of about 330 billion. These two products alone account for 18 percent of the gross domestic product. As reported in L'ECHO DE L'AFRIQUE, an expert above any suspicion of complacency was able to write that "The Ivory Coast is in the process of winning exporters back again, since they are seeing all the advantages of the recovery in Abidjan, which has been perceptible, moreover, since 1985."

But will the recent declines in the dollar, the reference currency and also the means of commercial and financial payment involved in a very large part of the transactions in all categories on the international level, justify their continued hopes? It is difficult to answer this question. The fact remains that it is on the basis of the dollar that the rates for most raw materials are quoted in New York and Chicago, and the American currency has depreciated about 35 percent on the international exchange market, which has reduced the corresponding income totals by that same percentage.

Moreover, the quotations are obviously given in present currency, so that if one compares current rates with those of several years ago, a reduction corresponding to the devaluation of the currency has to be made in order to establish their real value.

In all, the loss in purchasing power in the Third World over a long period has been substantial. This is the result of the deterioration in the terms of trade of which the experts in the economies of the developing countries speak, since the prices of imports increased while the prices of exports decreased, particularly since the prices currently prevailing on the market are at their lowest level, a phenomenon intensified by the decline in the dollar. This naturally works greatly to the advantage of the importer countries. By way of example, the price of the raw materials purchased by France, given in francs, declined by an average of 22 percent in 1985, according to a report by our colleague Media France Internationale. The cost of raw materials paid in

francs dropped 8 percent for cacao and 7 percent for rubber. The combine effects of the decline in the dollar and the world rate are thus considerable, reducing the income of our nation. Indeed, it could be noted, on the other hand, that the erosion of the dollar is also reducing the weight of the foreign debt. This is true, and in the Ivory Coast, this reduction might even reach 70 to 75 billion CFA francs. Viewed on the scale of all of Africa, this is a sizable economy in funds. Only, you see, our continent is being undermined by wars, debts, the sale of raw materials at a loss. The export income total dropped from \$60.6 billion in 1985 to \$44.3 billion in 1986, reflecting an average decline of 27 percent. In some countries this reduction reached 42 percent, or even 47 percent. The raw materials crisis is very clearly the basic cause of this erosion.

#### Dollar Used for 80 Percent of Sales

The decline in rates on the international market alone has caused the Ivory Coast to lose about 200 billion CFA francs. But with the collapse of the dollar, the losses in income will be vastly higher than this estimate, because 80 percent of our export sales and various other loans linked with these sales are effected in dollars. The harm done is thus real, and it requires the implementation of a series of political, economic, monetary and financial measures which could bring about a real improvement in this economic context, which is supposed to contribute to stability, and indeed to long-term growth, in the export income of the developing countries. This would also, to the extent that this is possible, prevent the excessive price fluctuations from which these countries suffer. Put in another way, the dollar plays too great a role, and in anarchic fashion, in the international monetary mechanisms, although given the current state of affairs, no alternative possibility can be envisaged.

For the Third World countries, and for the partners of the United States in general, stabilization of the dollar to make the reorganization of all the monetary mechanisms possible is absolutely essential. But for the time being, nothing justifies the hope that such a reform will be implemented soon, since it is rejected in advance by the main party involved--the United States itself. What, then, can be done? No one can say today. It is necessary then to continue with it, trying to prevent it from claiming too many victims.

For the present, the Ivory Coast must make do with the increase in its production, both of coffee and cacao, to improve its treasury position, since it cannot rely on the favorable development of the market. With the help of adequate rainfall, our country will have as good a cacao harvest as last year, when our production exceeded 5,500 tons.

The same optimism is justified where coffee is concerned. After obtaining 82,000 tons in 1983, a decline resulting from the effects of the drought and brushfires, production in the Ivory Coast has begun a spectacular recovery toward its average annual capacity of 300,000 tons. In fact, production is expected to reach about 260,000 this year.

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CSO:3419/98

DOLLAR FLUCTUATIONS ADVERSELY AFFECTING ECONOMY

Abidjan FRATERNITE MATIN in French 27 Jan 87 p 29

[Article by Diaby Aboubakar]

[Text] Struck full force by the drastic increase seen for greenbacks, which was reflected in an unprecedented increase in its foreign debt service, the Ivory Coast is now suffering from the cumulative decline for that same currency. But ours is not the only country to suffer from this state of affairs. All countries, even the United States, are affected.

The decline will continue irreversibly for a long time yet, and this is likely to do real harm not only to the world economy as a whole, but also and above all, to the economies of the developing countries in particular.

With the depreciation of the dollar, the risk of disorganization of the European monetary system is great. The deutsche mark, the pivot currency, is gaining in value dangerously, to the detriment of other currencies in the European basket.

Profiting in fact from this weakening of the greenback, the German currency has gone up to 3.351 francs per deutsche mark (1 deutsche mark was worth 166.85 CFA francs at the 23 January rate). But curiously, this decline has put the German and Japanese economies in a bad position. And one can understand why the Japanese government, after paying out 10 billion yen in the first 10 days of January to prevent its economy from slipping, demanded, through its minister of finance, a prompt meeting of the Group of Five, the same nations which agreed in September on the drop in the dollar.

Where the economies of the developing countries are concerned, one would be tempted to believe in disparities in the effects of the decline depending on the degree of dependence on the dollar. Nothing of the sort is the case, for they all countries are experiencing harsh effects because of the decline.

In order to appreciate the impact of the decline of the greenback on our economy, it would be well to survey the sectors of activity linked with the dollar. Our basically agricultural economy, like those of the majority of the PVD, derives a good part of its income, approximately 60 percent, from the sale of coffee and cacao.



Now, 80 percent of its sales on the international market are effected in dollars. A large part of our exports to the United States are primary products. Moreover, our trade with the countries in the dollar zone, such as Nigeria, are of considerable significance.

And the successive declines for the greenback have without a doubt been reflected in a decline of several billion CFA francs (the pivot currency of the franc zone with which the CFA franc, which itself has appreciated, is linked) (see article in this issue by Hien Solo). All of these represent resources which leave our country's financial circuit, placing the recovery which has begun in our country in serious jeopardy.

This is the more serious since this decline for the greenback accentuates the loss of our country's purchasing power, such that it must find two if not three times as many dollars to pay for the goods it needs on the foreign market. Unless it is willing, in order to maintain this purchasing power, to plunge into a campaign of overproduction which itself is punishing in the long run, not to overlook the inflationary pressures which it might cause.

For example, a decline in the dollar between 1974 and 1978 led to a decline of 20 percent in the international purchasing power of the OPEC countries.

One thing which is very often forgotten is that a drop in the dollar is reflected in an increase in export costs. Moreover, a decline in the dollar is reflected in the substantial appreciation of other currencies, which has the result of making our imports from the European countries involved in 70 percent of our trade more expensive, and increasing the service on that part of our debt negotiated in deutsche marks, yen or francs, for example.

This is particularly true since at the time the dollar went up, we had diversified the currencies in which we borrowed in order to minimize the effects of the increase.

Everything leads us to believe that the balance (if one were to take the trouble to calculate it) resulting from the reduction in the funds paid out and the reduction in the funds coming in resulting from the cumulative decline in the dollar will tend toward a negative area in which the gain on the level of our debt service will not suffice to cancel out a good part of the deterioration seen in the terms of trade.

But there remains hope nonetheless, if the monetary and financial officials evidence more ingenuity, if we continue to rely on ourselves by finding within our own system the safeguards capable of protecting us against fluctuations in the dollar.

For it is not a steady increase which we see, but rather erratic fluctuations. Now increasing and now decreasing, the dollar rate fluctuates daily, thus making any planning, any foresight, impossible. Given the current situation, our country cannot afford such improvisation.

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## LESOTHO

### BRIEFS

ANC TERRORISTS DEPORTED TO ZIMBABWE--Our correspondent in Maseru reports that four ANC terrorists who have been detained in Lesotho have been deported to Zimbabwe. Two others would probably be deported on Friday. [Text]  
[Johannesburg Domestic Service in English 1600 GMT 25 Mar 87] /9599

CSO: 3400/319

LIBERIA

FINANCE MINISTRY AUDITS GOVERNMENT MINISTRIES

AB131013 Monrovia Radio ELWA in English 2000 GMT 12 Mar 87

[Text] The Ministry of Finance has announced that it has begun a physical audit of the payrolls of all government ministries and agencies in an effort to further reduce the wage bill of government. In recent times, a Finance Ministry spokesman said that there is an alarming increase in the wage bill of the Liberian Government.

According to today's edition of the DAILY OBSERVER newspaper, the comptroller at the Finance Ministry, Mr (Wise Power), noted that the objective of the salary deduction or reduction in the redundancy of all civil servants exercises in 1985 was to reduce government wage bills and make salaries current, but this has been achieved. Mr (Power) said reports have reached them at the Finance Ministry that most of those declared redundant have returned to government's payrolls. He said what the government hopes to achieve from the exercise is to remove all ghost names from payrolls and to determine whether there exist justifiable reasons for returning the payroll cost to the level at which it was after the redundancy exercise, which is estimated at 25 percent less than the present payroll cost. Mr (Power) explained that during the exercise, employees will have to be properly identified by their section heads before checks are disbursed, while those in the LPA [Liberia Ports Authority] will be identified by both their section heads and their [word indistinct] before payment.

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CSO: 3400/314

FRG SIGNS AGREEMENT TO PROVIDE FURTHER INDUSTRIAL AID

Tananarive MADAGASCAR MATIN in French 28 Jan 87 pp 1-2

[Article by Franck Raharison]

[Text] Visibly, it is continuity which dominates the cooperation sector insofar as the FRG and Madagascar are concerned. Despite the statements by FRG Ambassador Karl Heinz Rouette (dean of the diplomatic corps) to the effect that articles on diplomatic activities have been given too much space in our Malagasy newspapers, as compared to reports on national life, we must make our excuses today, for we cannot remain silent about this new gesture the West German government has made toward the Grand Ile.

It involves, in fact, a new contribution from the FRG in the amount of 1,227,000,000 Malagasy francs (3 million deutsche marks) for the purpose of supplying us with goods essential to industry. This financial cooperation agreement, which was signed yesterday by Minister of Foreign Affairs Jean Bemananjara and Ambassador Karl Heinz Rouette, will make possible the (foreign exchange) purchase of semi-finished products, industrial equipment, machines and tools, replacement parts and other raw materials.

In this connection, the head of the Malagasy diplomatic service mentioned the numerous contributions made to Madagascar by the FRG: the building of a 158-kilometer road linking the RN4 and Port-Berge, construction of the road between Port-Berge and Antsobiby, the building of a match factory in Moramanga, the expansion of the SOTEMA, the financing of small industrial and agricultural products through the BNM (now the BNI), the youth village in Vinaninkarena, the agricultural operation in Tsarahasina, and FAFIMALAL medical-veterinary aid in the provinces of Fianarantsoa and Tuléar.

As to current projects, Jean Bemananjara mentioned in particular that under way in Betsiboka (rice-cultivation program), the improvement of cattle production, the improvement of the RN-7 road between Ibosy and Sakaraha, etc. FRG Ambassador Karl H. Rouette, for his part, announced that the West German government will make a credit line of 10 million deutsche marks (4.09 billion Malagasy francs) available to Madagascar within the framework of the CASA. Also, he discussed a problem affecting German-Malagasy cooperation. "It is a question of the capacity to maintain the production of firms in Madagascar which use West German equipment requiring a minimum of replacement parts and

raw materials," the ambassador said. He added that "The only source for meeting these needs (in foreign exchange) is this credit line. It would be sad if major sectors using German investment products were to suffer, above all in a phase when our development aid is intensifying, not only in terms of cooperation, but also in terms of financial volume. This would mean a suspension of services for certain brands of German automobiles. The printing and textile sectors are involved as well."

This somewhat unexpected remark by the FRG ambassador appeared to be an invitation to the authorities in Madagascar to give greater priority in the distribution and allocation of foreign exchange quotas to the local companies using production tools and equipment "made in West Germany." This is a request which will without a doubt provoke comment in various circles.

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CSO:3419/100

## MADAGASCAR

### MEDICAL AID AGREEMENT SIGNED WITH ARMENIAN CITY

Tananarive MADAGASCAR MATIN in French 20 Jan 87 p 3

[Excerpt] (ANTA)--The executive committee of the Council of People's Deputies of the city of Yerevan in the Soviet Socialist Republic of Armenia and the Municipality of Tananarive in the Democratic Republic of Madagascar (Fivondromampokontany d'Antananarivo Renivohitra) have signed the proposed cooperation agreement which defines a program whereby the two cities will exchange medical and teaching personnel with a view to enriching their respective experience in the medical sector, particularly in the fields of urban hygiene and urban education and development.

Yerevan will, consistent with its capabilities, accept medical patients sent from the city of Tananarive, in particular those suffering from vascular ailments. Yerevan will also host Malagasy apprentices in various sectors. Tananarive, for its part, will host a health official and an urban development expert from Yerevan. The two cities will undertake to exchange delegations of specialists in the field of social training (teachers and educators of children), and they will also exchange books and records for the libraries of the two cities, as well as traditional art objects, sports teams and performing artists.

The city of Tananarive will ask the city of Yerevan to provide a contribution of spare parts for the repair of Soviet-manufactured vehicles (ZIL 130 and 131 fire engines, MM 800B motor-driven pumps, and "Latvia" ambulances contributed by Yerevan), a contribution, gift or subsidy for the improvement or building of a swimming pool, volleyball and basketball courts, a covered stadium with artificial ground cover, bleachers and large electronic panels for the Mahamasina stadium, aid or assistance in rebuilding the Tananarive municipal headquarters, furnishing it and providing office equipment and electrical installations, and machinery including pulley systems for rapid scene changes at the two municipal theatres.

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JAPAN PROVIDING AID FOR TANANARIVE STREET CONSTRUCTION

Tananarive MADAGASCAR MATIN in French 16 Jan 87 pp 1, 6

[Article by J. Rakotonirina]

[Text] Our Japanese friends definitely follow up their ideas. After providing the city of Tananarive with 55 Isuzu buses in 1983, as well as other buses supplied to five other faritany seats, they are now providing the city of Tananarive itself, as a nonreimbursable gift, with construction equipment and machinery for the improvement of the streets in the capital city worth about 400 million yen (or more precisely, 398.5 million yen), which is the equivalent of 2 billion Malagasy francs.

The documents (memoranda) pertaining to this gift were signed and exchanged yesterday in the offices of the Ministry of Foreign Affairs by Minister Jean Bemananjara and the Japanese ambassador to the RDR, Yoichi Yamaguchi.

In his speech, Minister Bemananjara first mentioned the two earlier agreements signed last 12 December (the first two signed by Ambassador Yamaguchi after his arrival in Madagascar), which provided for food aid and supplies of farm equipment for the purpose of increasing production in this sector. He also mentioned the other gifts allocated to the transportation sector, explaining that this was nonreimbursable aid, the principal type of aid the Japanese have provided in the course of these recent years. He then made a point of expressing the extreme gratitude of the people of Tananarive to the Japanese government. Ambassador Yamaguchi, for his part, voiced his satisfaction with this new stage achieved in the cooperation between the two countries.

He then noted the complementary nature of the current aid and the previous gifts of transport vehicles, explaining that the use of the vehicles goes together with the maintenance of the streets in excellent condition, since poor street conditions not only cause delays and the waste of gasoline, "but also damage vehicles and shorten their useful life."

The streets in the capital will thus benefit from aid channeled to the proper place, since it will contribute to their maintenance.

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CONSUMERS POSING QUESTIONS CONCERNING SHORTAGES

Tananarive MADAGASCAR MATIN in French 21 Jan 87 p 6

[Editorial]

[Text] Inflation, devaluation, the international economic crisis, etc.--these are terms which really belong in the realm of the macroeconomy, and they are generally beyond the understanding of simple consumers. These consumers have no idea what the exact origin of this series of shortages and the confusions which currently exist in the country might be, and for them, the crisis is therefore first and foremost domestic. A large proportion of the people, in fact, only believe in what they can see.

No one challenges the government's intention to put our economy back on the path of growth, but the majority of the consumers have difficulty believing that the daily difficulties they are encountering today result from the world economic slump. If the crisis is truly international, there are many who cannot understand the abundance, if not the opulence (all relative) in which the people of Mauritius, the Seychelles, and Reunion live. There are neighboring peoples who have certainly never experienced shortages of rice, cigarettes, sugar or oil in their lives. Are these people perhaps suffering more than the people of Madagascar, without being aware of it?

Whatever the case, the statements by the president to the effect that we hope to be self-sufficient in food by 1990 bring hope. And the hope is that this self-sufficiency will pertain not only to rice, but also to all the basic foodstuffs and other items which are unavailable now except on the black market. It can be said, on the other hand, that the recent liberalization of imports will make it possible to eliminate once and for all these problems with consumer goods, which are needed moreover by everyone, such as cassettes, razor blades, quartz watches, cosmetics, clothing and sports shoes, etc., not to forget certain foodstuffs of which the Malagasy people are fond (canned sardines, Kub'Or, cheeses and other delicacies). Now, it remains to be seen whether when the time comes, the items mentioned above will be within the reach of all pocketbooks!

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CSO:3419/100

## PROBLEMS WITH SUGAR SUPPLY DISCUSSED

Tananarive MADAGASCAR MATIN in French 22 Jan 87 pp 1, 3

[Article by D.R.]

[Text] If sugar diabetes were gaining ground at present in the population of Tananarive, this could not be ascribed to excessive sugar consumption. Fewer new cases of this sort of diabetes would be more logical, precisely because of the lack of sugar.

In fact, sugar continues to be a problem in the capital market, although the volume supplied was well below the normal quota. From the month of August, when the black market in this product made its appearance, until the month of December, 350 tons per week were supplied to the Tananarive market, while according to a study made by the pertinent authorities, the need was assessed at 250 tons per week. These figures, it should be explained, were provided to us by the Office for the Supervision of Distribution at the Ministry of Commerce. Officials at the Siramamy Malagasy (SIRAMA) confirmed them to us.

### New Provisions

This increase in the quota established in order to deal with the problems in no way changed the situation. The results were not what was hoped, which led the Office for the Supervision of Distribution (DTD) to adopt different measures beginning at the first of the year.

The production and distribution companies are now required to present the DTD with daily reports on their respective activities. They must specify the quantity of sugar they have delivered each day and the names of the stores which accepted their quotas. Where the distribution companies in particular are concerned, they must append a list of the stores which they supply. It is obvious that this list must also show the quota allocated to each party, which in turn must submit a document reporting each sale of sugar.

None of this has prevented the continued existence of long lines and disputes, sometimes requiring the intervention of the police, such as that which occurred in front of the Famatsiana Malagasy (FAMA) store at the beginning of the week.

Nor has it prevented retailers from plying their trade on a cash basis on every street corner, and larger or smaller packets of sugar are selling like hotcakes, despite the price--900 Malagasy francs, as compared to the normal price of about 400.

#### **Mercenaries**

"In order to obtain tangible results, it will be necessary first of all to win the battle against the 'mercenaries,' who, it should not be forgotten, account for 80 percent of the sugar purchasers in the waiting lines," the director of the DTD explained to us. How can this be done? To date, no truly effective solution has been found. Each merchant is applying his own more or less satisfactory solution.

For example, some merchants have decided to stop selling sugar, since too many of those in the waiting lines are "mercenaries," as our interlocutor called them. Or merchants may decide to sell the balance of their stock to acquaintances, or again, and why not, to anyone willing to purchase the lot at a high price. This is an attitude which, although entirely consistent with what business thinking would dictate, is nonetheless reprehensible, given the current state of affairs. Is it to this kind of practice that the term "sabotage" applies, as used by President Ratsiraka during the inauguration ceremony in connection with the sugar shortage? Probably so.

The talks we have had with sugar production and distribution officials have not revealed any spectacular kind of sabotage (arson, for example). It must be recognized, however, that diverting sugar from the market might in fact have equally insidious consequences. Whether or not the action is undertaken for political reasons, the results could be equally dangerous.

#### **Rum**

We will not attempt to determine the reasons which lead certain private persons to amass vast quantities of sugar at the expense of the people. We will simply draw attention to two facts which might explain the situation in part. One is the depletion of the rum the production companies have in stock, and the other is the succession of holidays in the month of December. The clandestine distilleries had to operate at full capacity throughout the month in order to meet the demand for "toaka gasy," a local liquor, and they will certainly continue their major effort with the coming shortage in mind.

Everything points to the fact that this is inevitable. It will be necessary to survive until the next sugarcane harvest in the month of July, or in other words, until the companies producing rum can renew their stock. "In order to avoid being faced with a similar situation, we will reestablish the quota system as of this period," the SIRAMA officials have informed us. Let us remember that the sale of rum was liberalized a short time ago.

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CSO:3419/100

## BRIEFS

**DEBT RESCHEDULING STUDIED--**The year just beginning promises to be a good one where relations between Bonn and Tananarive are concerned. An important delegation from the Bank for Reconstruction and Development (KFW) is expected to arrive in the capital on Tuesday. This delegation, which has five members and is headed by Dr Schmidt Garritzen, a high-ranking official in the West German finance ministry, has come for negotiations with a view to the rescheduling of the Malagasy debt to the FRG. It will be a good year because barely 6 months after the signing of agreements following the negotiations between the RDM and the FRG (mixed commission) in Bonn, the cooperation projects involving the two countries are beginning to materialize. A credit allocation in the amount of 14 billion Malagasy francs is being provided for this purpose over the next 2 years. The photograph shows Minister of Foreign Affairs Jean Bemananjara and Mr Andreas Meyer-Landrut during the signing of the official documents pertaining to these agreements in Bonn in June 1986. [Excerpts] [Tananarive MADAGASCAR MATIN in French 16 Jan 87 p 6] 5157

CSO:3419/100



## DIRECTOR OF PORTS DESCRIBES SLOW GROWTH IN BEIRA CORRIDOR TRAFFIC

Harare THE HERALD in English 12 Mar 87 p 1

[Text]

ZIMBABWE sent 204 200 tonnes of traffic along the Beira Corridor through central Mozambique in 1986, an increase of 13 percent on 1985, according to Mozambique's national director of Ports and Railways, Cde Ferreira Mendes.

The Mozambican railway authorities consider this rate of increase as "very slow growth".

"Only a third of the installed capacity at the port of Beira is being used," said Cde Mendes in an interview with AIM. A healthy situation would imply two or three trains a day circulating between Beira and Zimbabwe, which is far from being the case.

Cde Mendes, who contacted potential clients in Zimbabwe last year, said there is still a certain reluctance to use Beira on the part of some Zimbabwean businessmen and a preference to send their traffic via South African ports.

"Obviously we have some problems, but are people interested in solving these problems or not?" he said.

For a while it may be

true that the South African ports have the edge over Beira in terms of efficiency, it is even truer that Beira is the natural port for Zimbabwe. The Beira Corridor is the shortest route to the sea from Harare. It is just 600 km from Beira, while the journey to Durban is 2 065 km.

Cde Mendes said improvement of Beira services depends on using the port to the full.

Rehabilitation work is in full swing along the Corridor, including the upgrading of the Zimbabwe-Beira Railway, the road running parallel to it, and the port itself.

Work is being carried out by National Railways of Zimbabwe and Mozambique Railways on the railway to Machipanda on the border. NRZ is providing most of the equipment and trained personnel for upgrading.

The work started at the border, and the 140 km stretch from Machipanda to Gondola has been completed.

At the Beira Corridor donors' conference in April last year, it was agreed that by the end of 1986 the port should be

able to handle three million tonnes of cargo. However, the current use of the rail and port capacity is way below this level.

"To reach the three million tonne target, we must maximise the use of the railway," Cde Mendes said. "If we can deal with three trains a day, why aren't they coming?"

Some Zimbabwean clients, however, have increased their use of the port, and have expressed satisfaction.

Cde Mendes cited the case of Zimbabwean cotton export which "have never had any problems" with Beira.

He said that merely appealing to the Zimbabwean exporters on commercial grounds was not sufficient, and that it would be necessary for the Zimbabwean Government to take measures to ensure that more of its traffic used the Corridor.

The problem was that South Africa had created "certain relations of dependency", which the relations between the railway management of Mozambique and Zimbabwe had not managed to overcome. — Ziiana-AIM.

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CSO: 3400/364



BRIEFS

AIR FORCE COMMUNICATION SYSTEM--The Nigerian Air Force has installed an inter-command communications system. Commissioning the system in Lagos yesterday, the chief of air staff, Air Vice Marshal Ibrahim Alfa, reminded men of the Directorate of Communications of the role of the Air Force in defending the nation's air space. This role, he pointed out, relied heavily on secured communications. In his remarks, the chairman of Radio Communications Nigeria Limited, Chief Moshud Abiola, whose company supplied and installed the equipment, called for the standardization of tele-communication equipment in the country. [Text] [Lagos Domestic Service in English 0600 GMT 13 Mar 87] /9599

NIGERIA AIRWAYS CLEARS DEBT, REJOINS IATA--Nigeria Airways has been readmitted into the International Air Transport Association, IATA. The readmission follows the clearing of outstanding debts to the association. The minister of transport and aviation, Brigadier Jeremiah Useni, announced this while commissioning the Nigeria Airways clinic in Lagos yesterday. He advised the management of the company not to allow debts to accumulate to the magnitude of being an embarrassment to the airline and the government. [Text] [Lagos International Service in English 0830 GMT 14 Mar 87] /9599

CSO: 3400/314

## GREY ZULU, UGANDA'S MUSEVENI DISCUSS OBOTE

MB081953 Lusaka Domestic Service in English 1800 GMT 8 Mar 87

[Text] Ugandan President Yoweri Museveni has rebuked his high commissioner to Zambia, Mr Tiramanya Mishanga, for casting doubts on Zambia's assurance that no Ugandan rebels were being trained in Zambia. President Museveni's rebuke to his envoy was expressed to party Secretary General Grey Zulu in Libya [word indistinct] during the 10th anniversary celebrations of Libya's proclamation of the People's Assembly. Comrade Zulu, who returned home this morning, told a news conference at his residence that President Museveni had accepted Zambia's assurance that no Ugandan rebels were being trained in the country. Comrade Zulu said President Museveni genuinely expressed regrets that his high commission had chosen to (?reply) to what President Kaunda told the special envoy. The Ugandan high commissioner claimed at a recent press conference on Lusaka that exiled Milton Obote and his team of (?soldiers) are going about in Zambia freely and the former leader had a shop in Lusaka. Dr Mishanga said that although President Kaunda has assured him that Zambia would not allow the former president to conduct clandestine activities, this did not conclusively mean the man is not organizing something.

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CSO: 3400/320

## BRIEFS

MINISTER WARNS OF MISINFORMATION CAMPAIGN--Lusaka, 10 Mar (ZANA/PANA)--Minister of State for National Guidance, Information, and Broadcasting Services Rabson Chongo today warned Zambian journalists against racist South Africa's campaign of misinformation. Chongo said short of a military attack South Africa will continue a relentless campaign of misinformation against Zambia. Officially opening a 6-week course for journalists at the mass media complex yesterday, the minister said the struggle for liberation in southern Africa was getting fierce and the reaction of apartheid ever more ruthless at every front. He said the propaganda campaign was a challenge to those in the Zambian media. More than ever before we will need progressive journalism to counter the propaganda of the reactionary and outdated philosophical pretence that apartheid is, Chongo said. [Text] [Dakar PANA in English 0815 GMT 10 Mar 87] /9599

TEACHERS URGED TO RETURN TO WORK--Prime Minister Kebby Musokotwane yesterday appealed to the striking teachers in several parts of the country to return to work immediately because their grievances have been attended to. In a statement released yesterday afternoon, the prime minister said the Ministry of General Education and Culture has already completed the processing of increments which will be paid in the March salaries and the basis for continued strike is no longer at stake. Comrade Musokotwane said the party and its government (?viewed) the grave concern the action by some teachers who have refused to perform their duties in protest against an apparent failure by the ministry to pay them their annual increments. Prime Minister Musokotwane said two wrongs do not make a right and the continued strike by teachers will not help anyone. [Text] [Lusaka Domestic Service in English 0600 GMT 11 Mar 87] /9599

CSO: 3400/320

## SOUTH AFRICAN VISITORS DESCRIBE POLICE AUTHORITARIANISM

View from Sam Sole

Johannesburg FRONTLINE in English Feb 87 pp 16-18

[Text]

**S**OUTH Africa is a cheerless place, presenting a bleak future and a current abnormality ... reason enough for a visit to Zimbabwe (a "see-for-yourself" demonstration that there is life after independence).

There is also the promise of a respite from the claustrophobic South African atmosphere that makes every question a moral wrangle. So, the need for a breather and a taste of social harmony prompted a friend and myself to head North.

In truth, the simple and undramatic way in which Zimbabwe has changed from a white state to a black one — without becoming shockingly different — is refreshing. Yet, without looking for trouble, we began tripping over the pervasive tentacles of state security — experiences which stripped us of our innocence and made the rest of our stay too tense to be a holiday.

Baldly put, Zimbabwe is a police state — one quite as bad as the portrayal so often given of South Africa. A mild foretaste was provided by an occupationally suspicious customs official at Beitbridge:

"What is this?"

"It's a pocket compass."

"Why do you have this?"

"To find our way."

"But you have maps. Why do you need this? Let me see your radio. Hmmm."

A rolled-up scarf with a flag on it also attracted his attention. He obviously thought it was a subversive Rhodesian flag:

"What flag is that?"

"A Zimbabwean one."

"Unroll it. Let me see. The other side. Hmmm."

Fortunately a diversion presented itself: an irate Polish businessman whose import permits were for some reason unacceptable. Our man was keen to embroil himself in the developing dispute and quickly stamped our forms.

Leaving Beitbridge, we encounter our first roadblock — there is one outside every major town. They take down our registration number, where we have come from and our destination. The policeman asks if we will give his colleague a lift.

As the "colleague" is armed with an FN and an automatic pistol, we are hardly likely to refuse. "He's CIO," says the cop meaningfully, and laughs incredulously when we look puzzled (the Central Intelligence Organisation is the Zimbabwean security branch).

So Comrade Lee — a Shona — accompanies us for the next 100 km. Bearded and denim-clad Lee is a one-man army.

"If the car is attacked, I will shoot through the windows!" he offers generously. He hunts down dissidents, spending most of his time in the bush.

"Last week I shot two and captured one," he says cheerfully. "I was given promotion to inspector."

Notwithstanding these dramatic claims, we never saw any evidence of dissident activity — roadgangs worked unprotected in the middle of nowhere, and no one we met expressed any fear of attack. Dissidents were described as little more than bandits, short of ammunition, roving in twos and threes.

It was plausible that Rambo-style Lee was an effective counter to these small groups, and, more to the point, he could keep an eye on the locals. CIO has no doubt learned from the "pseudo" tactics

once employed by the Selous Scouts to identify enemy sympathisers.

Lee had missed the war but claimed to have had three years training — two in Pakistan and one in Libya. He is complimentary about the standard of the South African army, but reserves his highest praise for the British military instructors working in Zimbabwe — "Man, those guys are No 1".

Discussing South Africa, he surprises us with conservative statements about tribalism and the need to maintain order. He sounds as if he would be quite at home in the South African Security Branch.

Later, we are told that Lee might have been a plant, checking out two South Africans of military service age — there are stories of anonymous hitchhikers who have been derogatory about Comrade Mugabe; when other passengers express enthusiastic agreement, they are promptly arrested.

There is a security presence everywhere. Military and police vehicles form a large proportion of the road traffic. Bridges and dam walls have a permanent guard. In Gweru we are treated to a glimpse of Cde. Mugabe as his entourage screams through town on the way back to Harare. The street is temporarily cordoned off for the passing of the cavalcade — outriders with sirens, a string of Mercs, a mobile anti-aircraft gun bringing up the rear.

The Gweru crowd seemed to find the whole affair rather amusing. In Harare, the perceived threat of assassination is such that the Prime Minister's vehicle is shielded by another on each flank. In the capital the net does seem to be drawn tighter than elsewhere — as we found out.

As good tourists, we wished to see Heroes' Acre — that (we assumed public) monument to the fallen of the Chimurenga War. The monument is on a rise and, taking a wrong turning, we landed up at the foot of the hill — separated from our objective by a security fence.

I suggested we simply jump the fence and walk up, but sloth got the better of us and we turned the car round. At the official entrance we were confronted by a guard with an AK. In the background, several soldiers lounged in the shadow of a machine-gun emplacement.

For no apparent reason the guard began to work himself up as we explained our desire to see the monument. What were we doing here? No, the monument was not open to the public! No entry without a letter from the Ministry of Information!

We didn't argue. I imagined our bodies being exhibited as "racist saboteurs" — that guard didn't give the impression he would have asked questions first had we been spied trespassing.

Back in town, we step unthinkingly over a low chain to take a short-cut across a car park. Another man with an AK shouts at us. Realising our mistake (it must be a government carpark) we turn to retrace our steps.

"Stop!" shouts the man, rushing up. "Why did you jump over the fence?!"

We try to explain. He interrupts. "What's your mission?"

We can hardly believe this! A smooth man in a suit comes up to see what's happening. We offer to take the guard to our car to demonstrate our innocence. Half way there he buys our story and says we can go. Now the smooth man sees us coming back without having been checked out. Back we go to the car. He is satisfied, but advises: "In future, you should carry your passports on you, otherwise you could land up in jail."

Hardly able to credit our bad luck, we decide that a day's fishing will at least keep us out of trouble.

The Skyview Hotel is a small establishment overlooking a river some 20 km south of Harare. We plan to park here and walk along the river. The only other vehicle is a police four-wheel drive and we park next to it.

My friend goes across to the hotel to ask about bait. I'm unpacking stuff to take with us. There is a chilling scream — the kind of wrenching groan that you recognise from torture scenes in films. I look around. There is no movement from the hotel. I approach the police vehicle — a "Nissan Patrol", similar to a Range Rover.

In the small space behind the third row of seats, I can make out somebody's shoulder — he must be tied up and crammed in there. I begin throwing things back in the car.

My buddy emerges from the hotel and cannot understand my white face and gesture for him to hurry up. Later he says there were two cops casually having a drink at the bar.

From the single scream, the man sounded barely alive — they must have left him for dead, intending to dump him at their leisure. We could not decide what to do. If we had been tinkering at the van when the cops came out, they might have considered it necessary to dispose of us as well.

As foreigners, without any kind of back-



up, we simply felt too vulnerable. So we got out of there and did nothing. We left Harare as soon as possible, feeling like fugitives.

Everyone we spoke to said we had done the right thing. A senior black official stated privately: "CIO does what they like. There has been a butchery of thousands in Matabeleland, which has gone completely unnoticed by the international Press. I have some contact with ordinary policemen and many of them have come back wrecked by what they saw or were forced to do in the rural areas."

This assurance did nothing to lessen the sour taste of moral discretion. We had ignored a last plea for help and we now found it difficult to paste on the smiles that are the passport to dealing with the security forces. We could no longer relax.

The security machine does not only affect foreigners — if anything they have it easier. At roadblocks you might have to open your boot for a perfunctory search, but the local people who travel by bus are required to get out and have their identity documents and belongings checked.

We took a bus trip down from Vic Falls on a "Hwange Special" — a cheap and efficiently run service, despite the chickens and goats on the roof. Another man was forced to get off because he couldn't pay the fare, yet a stick of heavily armed counter-insurgency police simply stopped us and hitched a lift for 50 km.

At the roadblock outside Bulawayo the crowded bus responded with a good-natured groan when requested to get out for the usual search: "It's Christmas time — can't you laugh it off?"

The policemen laughed, but we still had to get off.

The local cops seem to be on good terms with the locals, and generally the police were polite; but the man in the back of the police van kept prompting the question — what happens when someone doesn't feel like smiling?

White Zimbabweans can blind themselves to the clampdown because it is not directed at them. Having abdicated claims to political power, they are no longer a threat. Said a railway official at Beitbridge: "It's a great place to be, provided you steer clear of politics. We have security now."

The sentiments were echoed by an Harare businessman: "My work always took me through the townships. I can drive through without fear now."

The Ndebele, however, do not rest so easy. In Bulawayo, for example, Mugabe

has built a costly new barracks in order to separately house a battalion of exclusively Shona police.

State control is not limited to security matters. Import restrictions and foreign currency controls have meant that manufactured items are scarce and exorbitantly priced. An element for a simple iron costs \$50. Spare parts for cars can fetch virtually whatever the seller demands. A car bought for R1 000 in South African can be sold for \$4 000.

Price fixing and import restrictions produce a thriving black market. While we were there, there was a beef shortage because farmers were bypassing the Cold Storage Commission's fixed price and selling directly to butchers supplying private clients.

New car prices are controlled; the secondhand market reflects economic reality — new car production is a fraction of what it was five years ago; the secondhand business is booming. There was speculation in the Press about legislation to plug both loopholes.

For me, these were all signs of a state at odds with the spirit of its people — seeking to drag them into a fiction of ideological correctness instead of being led by them into a reality of tolerance and confidence.

For the Zimbabwean people seem ready, willing and able to get on with their lives. There is no longer a race problem. We visited bars which were once filled with white soldiers. Now we were the only whites among the clerks and office workers — yet there was never any hostility. In fact, the relaxed atmosphere was in stark contrast to the current of aggression found in any white South African bar.

The old colonials — slowly dying off — are regarded with tolerance, even affection. In a posh Harare suburb I found a rather charming network of gardeners who provide their madams with insulation from the fierce new world, and also with the neighbourhood gossip these ladies would once have gleaned from the garden parties and soirees that are now only a memory.

The extreme generousness of whites is at once cheering and saddening. It represents a bygone world of human relations — where one can arrive, unknown and unexpected (purely on the recommendation of someone previously met) and be gladly welcomed. Yet this hospitality seemed part of a considerable loneliness — white Zimbabweans still have servants and large houses, but face a dwindling pool of social



nourishment. They are outsiders now. And so are you.

It is a salutary experience for a white South African. In a country familiar enough to be your own, suddenly the bank-tellers, the shop-keepers, the officials and most of their customers are strangers whose first language is unintelligible.

Yet the values are unmistakably middle-class — from the blithely materialist ads on ZBC TV to the couples that crowded into the Harare cinema to watch the strange antics of neurotic Europeans in the Meryl Streep film "Plenty".

ZBC propaganda is not noticeably worse than that dished up by the SABC, though one tires of hearing "Cde. Mugabe said today..." as the first item on every newscast. The phrase "racist South African regime" also palls rapidly.

What is disturbing is the absence of an independent Press and the propagation of a one-party mentality. A striking example was an article on the violence sub-

sequent to the Machel air crash. Describing an incident in which black youths accosted a white and roughed him up when he refused to recite party slogans, the writer condemns the violence but expresses puzzlement over why the man refused.

It seems that liberal ideals have once again been thrown out along with the colonial bathwater. It is perhaps this which ultimately denies whites their sense of inclusion and limits the potential for black freedom.

Yet freedoms are difficult to weigh up. Back across the border in Messina we go into a bank to cash a cheque. The black man in front of me wants some change. The lady teller (on this side they are all white again) stiffens immediately at his approach: "Ja! Wat wil jy he?! Ja, dan gee die geld tog!"

The man probably speaks Ndebele — we are a mere 10 km into the territory of the 'racist regime' — but for him, at that moment, it cannot but be 10 km too far.

### Nomavenda Mathiane's View

Johannesburg FRONTLINE in English Feb 87 pp 20-21

[Text] **B**EFORE we can enjoy our first breath of freedom we drive into a police roadblock. This is a few kilometres from Beitbridge on the way to Harare.

"Do you have anything that could be of interest to the police," one of the officers asks us as he goes through our luggage. We strike some rapport and we soon get to know they are on the look out for South African spies out to blow their bridges in a bid to cripple their transport services.

What a life, we have just passed numerous roadblocks in South Africa where we were being searched for similar reasons. Anyway, we were to meet plenty more police, roadblocks and searches up to Harare.

Having spent a few days in Harare talking to people and reading newspapers, one grew to understand the heavy presence of security. South African aggression paranoia is at boiling point.

Yet, despite heavy security, Harare remains an interesting town, pulsating with activity. Everybody and everyone is there. It has managed to attract people from most parts of the world.

The middle class, who are beginning to reap the fruits after their contribution to

the liberation army, are visible in executive positions. Most have bought houses previously owned by whites and are maintaining the standards of such buildings. Unlike in town, where names of streets and avenues were changed, in the suburbs they still remain very British. You still find names such as "Garden Close".

For a South African black to actually see the well-manicured lawns and gardens and large yards with black children playing fills one's heart with more than envy.

Zimbabweans are fashion conscious. This can be seen in the shop windows and from the locals. Punk fashion has taken the town by storm — from the short hair crop style to the colourful pinks, mauves and whites.

And for women, hair-dressers play an important role. They do braids, perms and relaxors. Fridays and Saturday mornings are the busiest times for those in the hair business.

Come Friday night, everybody has a ball. It would seem fun is a must as people go to discos and on pub-crawls. There is a lot of drinking. Class, ideology and ethnicity dictate where one goes.

In Harare, for instance, the Oasis Hotel, whose bars are like Soweto's beer

taverns, is a haven for foreigners and Ndebeles, but watch your tongue in case you say anything anti-ZANU. The place is crawling with the CIO. They don't stick out, but people constantly warn you of their presence.

The next stop is the Park Lane. Almost the same class of people goes to this hotel, but they seem ZANU-orientated. It is also a much glorified shebeen-type, marked with smoke and glasses from the terrace to the lounge. It can be very rowdy, real Third World.

The Monomotapa, or Monos as the locals call it, has tried to maintain standards. Some parts are "Third World", but generally this is where the upper class goes. It also attracts a lot of overseas clients.

That goes for Meikles, too. Although occasionally there will be one or two not-so-up-to-date characters slouched in the lobby, it is by and large of international standards.

The Sheraton compares favourably with the Cape or Johannesburg Sun.

We attended a wedding between a South African girl and a Zimbabwean at the Sheraton. Lo and behold who should be there but Joshua Nkomo; right in Harare at the Sheraton Hotel. In fact, it turned out to be some great cultural event as people from South Africa held Zimbabweans spellbound with their gyrating dances. The old guerilla leader took to the floor and joined the dancing.

One is led to believe the old man hardly sets foot around there. He also seemed to have not more than three bodyguards in his sleek Mercedes.

A cynical Zimbabwean actually said "the South Africans seem more interested in dancing than attaining freedom".

Also surprising was the fact that Mugabe was addressing a Press conference at the same hotel while we were dancing. So much for the hostility we hear of from the SA Press.

Most educated Zimbabweans have lived abroad and are particularly sensitive about being up to date with everything. Yet one misses foodstuff such as rice. And when we asked for toothpicks we were given a box of matches.

Some locals claim society has a long way to go to rid itself of the slave mentality of colonial rule.

"Some waiters will say 'good morning' to a white person, but say 'makadini' to a black," a friend said to us.

His argument is why should he, because of the colour of his skin, be taken for a Shona.

But how do they know the white man speaks English?

I tried to make him feel better by saying in Durban they say "good morning, sir" to a white person and "good morning, chief", to a black. He was not impressed.

But talking of discrimination, we were exposed to a lot of it at roadblocks. At one next to Harare we were made to open the boot of our car in pouring rain while a South African white was allowed to drive off after a cursory glance at his drivers' licence.

Those with the naive belief that blackness is a passport to anywhere in Africa are in for a shock.

In Kenya, for instance, immigration officers would not "dirty their hands with a South African passport" and yet one would see obvious South African whites travelling on British passports being attended to. What double standards.

Of course, one has to understand that it has a lot to do with the great propaganda that SA blacks with passports are government spies.

Ironically though, there hasn't been a case of a confirmed black SA spy. We are, however, grateful for small mercies such as being occasionally allowed into such countries.

Zimbabweans have a highly developed sense of humour and are aware of their economic strength when compared with most African countries. Pointing at an area in Harare, one Zimbabwean said "if we were to donate these buildings to Tanzania they would be forever grateful".

Another one told us how at their first independence celebration they took heads of state around and Shagari from Nigeria fainted when he saw the clean suburbs of Harare.

One Zimbabwean said of the Sheraton: "If they built that in Central Africa, people would die of heat because the air conditioners don't work there".

One said to us in farewell — "I hope you will live to see Uhuru and not find yourself at Voortrekkers Hoogte".

I suppose to him that seemed a likely enough Heroes Acre for South African blacks. □

## EXPORT PROMOTION DETAILS RELEASED

Harare THE HERALD (Business) in English 12 Mar 87 p 2

[Text]

THE Ministry of Trade and Commerce's new and revamped export promotion division has released details of the various export promotion services it can offer through international development agencies.

The ministry last week announced that the division, formerly only a branch, had now completed its rehabilitation programme and was ready to help businessmen increase their exports in a big way.

The services offered through international agencies are:

● Commonwealth Fund for Technical Co-operation — past activities have included "contact programmes" in European markets for clothing, furniture, and textiles, while market surveys were conducted in West Africa and the United States for selected companies.

The division has arranged for a Commonwealth export development skills adviser to be attached to the Zimbabwe National Chamber of Commerce for an initial period of two years.

Market research and contact promotion programmes envisaged for Commonwealth funding include an "intensified

contact promotion programme" for Zimbabwe's automotive industry in the Kenyan and Ugandan markets as well as in the United States.

● CBI — Netherlands Centre for the Promotion of Imports from Development Countries: past assistance has included market surveys on horticultural products and Zimbabwean textiles in the Netherlands. This has also involved the participation of Zimbabweans from both the public and private sectors in CBH export marketing training programmes.

Planned activities include increased human resources development with special emphasis on horticultural / floricultural products and textiles, clothing and leather products. Help is currently being offered to horticultural producers by the Netherlands through the provision of a production and marketing expert.

● EEC: each year this provides financial support for participation in international trade fairs in Africa and Europe as well as fellowships to allow exporters to take part in short-term training programmes in Europe. Financial and technical assistance under Lome II made it possible to train a number of ex-

port promotion officers in the Ministry of Trade and Commerce.

Planned activities under Lome III include intensified activities in the development of the manufacturing sector's export capabilities, the development of exporting skills and the creation of appropriate mechanisms to generate exports in the longer term. This five-year programme is expected to cost \$7.8 million, which has already been approved by the EEC.

● Finland — Prodec: In the past this organisation has been involved in training programmes on market research techniques and intends to continue providing both the private and public sectors with this training.

● Federal Republic of Germany — Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ): Through GTZ the FRG government has provided an export adviser and another adviser has been made available to the Zimbabwe International Trade Fair. In addition, market surveys for Zimbabwean products in the West German market are carried out as an on-going exercise.

● Government of Ireland: this has in the past provided fellowships to both the public and the private sectors for export development programmes in Dublin run by Coras Trachtála. This is an ongoing exercise.

● United Kingdom Trade Agency for Developing Countries: this has undertaken studies of potential markets in Europe for Zimbabwean manufactured products. It is planned to exploit the facilities of this organisation in finding markets in Britain for Zimbabwean products.

● UNCTAD / Zimbabwe workshop on Zimbabwe trade and economic relations with socialist countries in Eastern Europe: 65 participants from both the private and public sectors in Zimbabwe and representatives of Bulgaria, German Democratic Republic, USSR, Czechoslovakia, Poland and Hungary took part in this workshop.

The seminar resulted in positive steps being taken to enhance two way trade between Zimbabwe and socialist countries in Eastern Europe, as reflected by the number of

trade delegations visiting Zimbabwe from the area.

● Eastern and Southern Africa Management Institute: this regional training institute based in Arusha, Tanzania, offers a wide range of trade related courses to citizens of the sub-region.

● Nordic assistance — Denmark: a joint Nordic seminar was held in Harare at the end of last year in which importers from Nordic countries met Zimbabwean suppliers. Similar seminars involving buyers from Nordic countries will be held in September and November this year in Harare and possibly in other centres.

● International Trade Centre UNCTAD-GATT: ITC has conducted numerous studies on horticultural produce exports, which have been coupled with training requirements for export promotion. In addition, ITC produced a manual for Zimbabwe's trade representatives.

With UNDP aid, ITC plans to hold a workshop in Geneva for Zimbabwe's

trade representatives sometime this year. It is also supplying additional equipment such as training kits, video equipment films and a printing press.

● To support these activities, the Ministry of Trade and Commerce is expanding its external trade representation. Last year, external stations existed in Algiers, Bonn, Brussels, Gaborone, London, Lusaka, Maputo and Washington. By the end of February this year, stations had also been established in Geneva, New Delhi and Ottawa. Before the end of the current financial year, it is hoped that other missions will have been opened in Lilongwe, Luanda, Lubumbashi, Nairobi, Moscow, Paris and Sydney.

The export promotion division is also involved in a drive to promote exports from cottage industries, including crocheted products, carvings and works of art. The ministry will also offer consultancy services through the Horticultural Association of Zimbabwe to small-scale communal producers of exportable items.

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## BULGARIAN AMBASSADOR DISCUSSES INCREASE IN TRADE

Harare THE FINANCIAL GAZETTE in English 6 Mar 87 p 1

[Text] **BULGARIA** will buy US\$5 million worth of goods from Zimbabwe under general cash transactions this year; is waiting to finalise a US\$12,5 million barter deal with Zimbabwe; and has increased to 200 the number of scholarships available to local students.

In addition, discussions are taking place between Bulgarian and Zimbabwean firms to establish joint venture projects for the manufacture of forklift trucks and commercial production of tobacco and maize. Bulgaria has also offered to help Zimbabwe's cooperative movement and the tourism industry.

These details were given by Bulgaria's ambassador to Zimbabwe, Mr Alexander Atanassov, during an interview with the *Gazette* this week, during which he revealed that the first joint venture between this country and a socialist state for the production of maize and tobacco will be launched some time in June this year.

The project, which has still yet to be approved by the two governments, will be carried out by the Zimbabwe Agricultural and Rural Development Authority (Arda) and Agromodel of Bulgaria, at one of the former's farms "around Harare," said the ambassador. Two Agromodel personnel are expected in the country within the next few months to work with Arda.

Bulgaria's Balkancar, which has the largest forklift plant in the world, has already held discussions with a local firm, Duly & Company Limited, with a view to assembling forklifts in Zimbabwe.

The kits for the forklifts will be supplied

once the barter deal is finalised, and the formal agreement will be signed "very soon."

Another Bulgarian company, Bulgargeomin, is currently holding discussions with the Zimbabwe Mining Development Corporation (ZMDC) on mineral prospecting in the north of the country. A memorandum of agreement for the establishment of a joint venture company was signed in January this year.

Mr Atanassov said that his country will, within an agreement signed also in January between the Bulgarian Association for Recreation and Tourism and the Zimbabwe Ministry of Natural Resources and Tourism, promote Zimbabwe in Bulgaria. It will also encourage study tours, information exchange and visits by different groups such as women's organisations to either countries.

A "very serious cooperation project" which is being considered is the supply of computers to the country's post-secondary colleges. Bulgaria is one of the leading computer manufacturers in the Comecon countries, "and is willing and ready to share its experience with Zimbabwe. Contacts have already been made with a local firm, C F Tulley, and we are working out details to reach an agreement which will enable us to supply computers to colleges," said Mr Atanassov.

Asked if he was aware that the Zimbabwe Government is considering manufacturing microcomputers, Mr Atanassov said that he has already heard about it, and "we are willing to participate if we are invited. We have got the technical expertise and this may be a very



good joint venture."

Technical assistance, which was one of the areas discussed by the Zimbabwe/Bulgaria permanent joint commission of cooperation from January 12 to 16 this year, is another important field which Bulgaria would want to help.

The development of co-operatives is also an area Bulgaria is interested to help, through the provision of training schemes, either in Zimbabwe or Bulgaria. Mr Atanasov said that his country would like to share its experience and mistakes with Zimbabwe's cooperative movement. "We are ready to tell the mistakes we have made."

Mr Atanasov said that to ease Zimbabwe's foreign currency problems, details of a US\$12,5 million barter deal are being worked out. The agreement will involve the exchange of tobacco for Bulgarian chemical products and machinery. "We are also planning to buy US\$5 million worth of goods under cash transactions."

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## RECORDS SHOW TRADE SURPLUS WITH BELGIUM, SWITZERLAND

Harare THE FINANCIAL GAZETTE in English 13 Mar 87 p 1

[Text] ZIMBABWE recorded a surplus in its trade with Belgium, and Switzerland during 1986, but recorded deficits with Canada, Finland and France, according to figures released this week.

The trade commissioner at the French embassy, Mr Christian Saillard, told the *Gazette* that during the twelve-month period, Zimbabwe exported \$37,6 million worth of goods to France, and imported about \$41 million worth of electronic equipment, machinery and chemical products, among other things.

He said that Zimbabwe's main exports included tobacco (\$9,2m), ferro-chrome (\$10,3m) and non-metallic minerals (\$19,2m). "There was a 20% decrease in Zimbabwe's exports and a 32% decrease in our total exports to this country."

## FINLAND

A spokesman at the Finnish embassy said according to latest figures, Finland sold Zimbabwe \$13 to \$14 million worth of wood pulp, paper board and machinery for the mining, forestry and energy sectors of the economy. "These goods," he said, "were partly aid financed and partly commercial transactions." Exports to Finland

totalled about \$3,6 million, made up of tobacco, ferro-chrome and coffee.

A Swiss embassy spokesman yesterday said that Zimbabwe exported about \$37 million worth of meat products, gold and precious stones, and his country supplied about \$20 million worth of machinery, precision instruments and other products.

Meanwhile, trade between Canada and Zimbabwe during the 10-month period, from January to October, 1986, totalled about \$16,3 million, a spokesman at the Canadian embassy said. Canada's imports worth about \$7,5 million included raw sugar, tea, sculptures, statues, ferro-chrome and other miscellaneous items. Its main exports (about \$8,8 million) were construction and technical equipment and agricultural machines.

From January to November, 1986, trade between Zimbabwe and Belgium totalled about \$57,03 million, said Mr Jan Bruffaerts, the commercial attache at the Belgian embassy in Harare. Zimbabwe's exports, worth \$45,43 million, included tobacco and ferro-chrome. Imports worth about \$11,6 million were mainly made up of chemicals, plastic products and spare parts for industrial equipment, he said.

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## CSO RECORDS 18 PERCENT GDP GROWTH FOR LAST YEAR

Harare THE FINANCIAL GAZETTE in English 13 Mar 87 p 1

[Text]

**ZIMBABWE'S GROSS Domestic Product (GDP)** (expressed in constant prices) showed growth of only 0,18% in 1986 compared to the previous year. This confirms the forecasts of local economists, but contradicts recent claims by some politicians of 3% growth during the year. The official figures were published this week by the Central Statistical Office.

Expressed at constant prices, Zimbabwe's GDP totalled \$3 894 million, compared to \$3 887m in 1985. Constant figures are calculated on 1980 as a base year, when GDP was \$3 224m. At current prices the GDP increased by 155% to \$8 232m (\$7 303m).

In the 14 economic-sector categories for which figures are provided, seven show an increase, one equals the 1985 figure, and the remainder show declines.

Manufacturing's contribution to GDP increased to \$915m (\$902m in 1985), electricity and water increased to \$108m (\$79m), distribution, hotels and restaurants provided \$415m (\$410m), public administration contributed \$391m (\$370m), education added \$370m (\$355m), health increased to \$106m (\$99m) and "other services" \$252m (\$237m). Real estate maintained a constant contribution of \$44m.

Economic sectors that showed a decline in contribution were

agriculture and forestry \$540m (\$614m), mining and quarrying \$285m (\$288m), construction \$60m (\$64m), finance and insurance \$197m (\$216m), transport and communication \$244m (\$246m) and domestic services \$57m (\$59m).

**20,5% INCREASE**

The growth in GDP, in constant price terms, from \$3 224m in 1980 to \$3 894 in 1986 represents an increase of 20,5%. At current prices the increase in GDP from \$3 224m in 1980 to \$8 232m in 1986 represents an increase of 155%.

The difference between the two rates of increase is termed the "GDP Deflator", which is in fact the nation's inflation rate, which does not always equal the rate of inflation as expressed by the Consumer Price Index. However, a 134% GDP deflator does match fairly well the 140% recorded by the Consumer Price Index since 1980.

More seriously, the increase of 21% in GDP in constant terms since 1980 represents a 3% increase per year. If one accepts government's figures of a 3% increase in population, this means that Zimbabwe has recorded zero per capita growth since Independence.

Other 1986 figures released this week were for gross fixed capital

formation at constant 1980 prices. This showed a decline in 1986 of 7,3% to \$465m from \$502m in 1985. The 1986 figure is 41% lower than the peak year since Independence, 1982, when \$788m was invested.

In an analysis of the type of assets in which investment has been made, only transport equipment showed an increase, with \$93m being invested compared to \$80m in 1985. \$17m was invested in residential building (\$20m in 1985), \$85m in non-residential building (\$104m), \$20m in civil engineering work (\$24m), and \$250m in "other equipment, plant and machinery" (\$274m).

At current prices gross fixed capital formation in 1986 totalled \$1 473m (\$1 347m).

● The figure of \$2 215m as Zimbabwe's total foreign debt during 1986, as published in *The Financial Gazette* of March 6, was confirmed in the Reserve Bank's Quarterly Economic and Statistical Review, dated September, 1986, but released only yesterday.

It records that Zimbabwe's total debt (domestic and foreign), reached \$5 192m in mid-1986 compared to \$1 840m in 1980. The total foreign debt is \$2 215m, and the total domestic debt of \$2 977m is made up of stocks \$2 560m, bonds \$136,9m, Treasury Bills \$250,4m and "other" \$29,8m.

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CSO: 3400/359

## DROUGHT TO FORCE USE OF GMB RESERVES

Harare THE HERALD in English 18 Mar 87 p 1

[Text] ZIMBABWE will have to dip into its maize reserves this year with expected deliveries of maize to the Grain Marketing Board likely to be around 521 680 tonnes.

The first crop report of the crop forecasting committee was released yesterday by the Central Statistical Office whose representative chairs the committee.

The total maize crop is expected to total around 930 680 tonnes with 461 420 grown in the commercial areas, 360 000 tonnes in the communal areas and 109 260 tonnes on resettlement schemes.

With communal farmers keeping back more than half their crop for their own consumption, resettlement farmers a little under half and commercial farmers around one third, total deliveries are expected to be around 521 680 tonnes with 305 420 tonnes coming from the commercial sector.

The committee warns that its figures are provisional and subject to revision when more information is available.

In a reasonably normal year the GMB can sell around 700 000 tonnes with this rising in a drought year as farmers who are normally self-sufficient have to buy maize, often using money earned on food-for-work schemes. Other crops are not nearly so hard hit.

The flue cured tobacco crop is expected to amount to 140 376 000 kg with almost all coming from commercial farmers; burley tobacco should hit 3 461 000

kg with more than a third, 1 351 000 kg, coming from peasant farmers and the rest from the commercial sector. The oriental crop will be around 28 000 tonnes.

Soya deliveries are expected to amount 99 470 tonnes, almost all from commercial farmers and with only minute quantities kept back by farmers for their own use.

A 317 616 Albar cotton crop is expected with communal farmers expected to deliver 121 200 tonnes, commercial farmers 150 057 tonnes and other areas 46 366 tonnes. The commercial sector is delivering less than half the crop. Around 2 400 tonnes of Deltapine cotton and 7 225 tonnes of Delmas cotton are also expected.

While peasant farmers are growing more than two thirds of the expected 66 210 tonnes of unshelled groundnuts, they are keeping large quantities back for their own consumption and less than 6 000 tonnes of the expected deliveries of 21 560 tonnes will come from communal and resettlement farmers.

But peasants will dominate the sunflower trade. Total crop is expected to be 25 800 tonnes with GMB deliveries around 21 500 tonnes. About 10 000 tonnes will come from communal and resettlement farmers.

Sorghum, mhunga and rapoko crops are expected to total almost 137 000 tonnes but almost all of this will be retained by the farmers and only just over 30 000 tonnes are expected to be delivered to the GMB.

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CSO: 3400/360

## ZNFU DONATION TO MOZAMBIQUE

Harare THE HERALD in English 19 Mar 87 p 1

[Text]

DONATIONS to the Mozambican solidarity fund have reached more than \$110 000 following a contribution of \$5 080 by the Zimbabwe National Farmers' Union (ZNFU) yesterday.

Presenting the cheque to the chairman of the Zimbabwe - Mozambique Friendship Association, Lieutenant-Colonel Clearence Gaza, ZNFU chairman Cde Gary Magadzire said the money would be used to buy 23 tonnes of mealie meal for the Mozambicans, reports Ziwa.

Cde Gaza appealed to other organisations to "show their solidarity with the people of Mozambique because it is when you have problems that you will realise who your true friends are".

The Mozambique Ambassador, Cde Francisco Madeira, said Mozambicans were now going hungry because of a situation imposed on them by "external forces".

Cde Madeira said Mozambique had rich soil, but the people could not plough because of interference from MNR bandits. The food that Zimbabwe was pouring into Mozambique was "ammunition" to keep the people going so that they could fight harder to end the war.

Lt-Col Gaza said a consignment of gifts to Mozambique given by Zimbabweans over the last few weeks, was expected to leave tomorrow. Kadoma farmers made a separate donation of \$170 this week while Promat (Pvt) Ltd gave \$160. --

## MINISTER PRAISES FARMERS' OILSEED FOR MAIZE SUBSTITUTION PROGRAM

Harare THE HERALD in English 19 Mar 87 p 1

[Article by Fanny Mushava]

[Text]

In an interview with The Herald, the minister said people should now have learnt not to sell all their produce to the Grain Marketing Board, but to leave some for themselves in case of drought.

The measures Cde Mahachi announced in September last year to reduce maize production due to the increasing costs incurred by the GMB for storage were accepted by most farmers.

Cde Mahachi said: "They were successfully followed by a reduction in maize hectareage by commercial farmers."

He added that the measures also encouraged small-scale commercial and communal farmers to diversify into other crops such as the oilseeds badly needed by the country.

Cde Mahachi said the GMB was hoping to get double last year's intake of groundnuts and sunflowers and, had it not been for the drought, there would have been a record cotton crop this year.

"My call to grow oilseed crops has been a blessing in disguise to most farmers as those who diversified have not been as hard hit by drought," said Cde Mahachi.

In future farmers should diversify as much as possible. In marginal rainfall areas they should not grow maize at all, but should concentrate on millet which did not need much rain, he added.

The stringent measures announced last year may be lifted when new producer prices are announced later this year.

Commercial farmers were warned that they could be paid less than the producer price of \$180 per tonne of maize if they exceeded allocations given them.

"We might have to lift the measures after the producer price announcement to allow us to restock our stockpile," said Cde Mahachi.

The minister said the Government had decided to send food relief to areas affected by drought.

The food would be extended on a food-for-work basis and all able-bodied people were urged to come forward.

The old and young would get free relief. How the food would be distributed would be up to the Ministry of Labour, Manpower Planning and Social Welfare.

He assured the country that there would be enough food for everyone

even if there "is nothing planted in the next 12 to two years".

Cde Mahachi expressed concern about areas that had produced plenty of food last year and sold it all to the GMB.

"A clever communal farmer should have left food enough for his yearly requirements to last him to the next harvest," said Cde Mahachi. "We think that pattern of behaviour should now change and people should reserve their own food."

Some of the areas that were already short of food such as Gutu, Zaka and Bikita had GMB depots still full from last season's intake.

"Those who want food will have to work for it," said Cde Mahachi.

His ministry was planning to build village silos so that surpluses could be stored. The maintenance of the silos would be the responsibility of his ministry.

"In times of plenty, each family from the village would be required to contribute a certain number of bags which would be drawn out in times of need."

The minister added that the off-take of maize from the GMB was increasing. Those who

wanted to buy maize from depots in the countryside could do so at a price set by the QMB.

Cde Mahachi said that because of the good quality of the country's products, it had managed to secure the best overseas markets. Zimbabwean beef was one of the best in the world and, despite strong competition from Argentina and Brazil, the country had managed to withstand that.

This was because of the methods cattle were raised here, carefully selected and slaughtered with strict hygiene conditions being adhered to.

Tobacco had also managed to fetch good prices on the world market, of which Zimbabwe was the

number three supplier. But this season's crop had been adversely affected by the drought and the crop might be lighter than usual.

An indication of the quality of the country's products was that of cotton which was sold even before it was picked, he said. The overseas demand for horticultural products had also risen "because of the good quality which has enabled us to penetrate those markets".

The country's dairy products, especially cheese and yoghurts, had also caught the eye of the overseas buyers.

The country was getting the best prices for coffee and tea.

Said Cde Mahachi: "We have maintained good

quality in our products and in today's market.

"Now we cannot afford to make a mistake, and must strive to protect this quality."

On the merger of the three farming unions, Cde Mahachi said all he could do was to urge them to follow the Prime Minister's call to join. "They are not Government departments or parastatals which I can give orders to."

These are pressure groups representing the interests of the farmers which operate independently, he said.

"Legally I have no authority to force them to merge, but it would be in their best interest to do so."

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CSO: 3400/359



## DIRECTOR OF BEIRA CORRIDOR GROUP EXPRESSES OPTIMISM

Johannesburg THE WEEKLY MAIL in English 20-26 Mar 87 p 17

[Article by Charles Rukuni]

[Text] EDDIE CROSS was once chief economist of the Agricultural Marketing Authority. As such, he helped Ian Smith's pre-independence government bust sanctions — particularly in terms of tobacco, the country's biggest foreign exchange earner.

Now he is the first managing director of the Beira Corridor Group (BCG) — a company representing the interests of the private sector in securing and developing the main trade route from Zimbabwe through central Mozambique to the port of Beira. It opens offices in Harare on April 1.

The corridor, under threat from Renamo in Mozambique and protected by Zimbabwean troops, is vital to Southern African countries trying to reduce their dependence on South African ports.

It is the shortest route to the sea that does not pass through South Africa, and includes a road, railway and oil pipeline.

Cross says: "We will have to put the ingenuity we put into breaking sanctions in the UDI (Unilateral Declaration of Independence) era into solving regional transport problems."

Cross was always opposed to the Smith regime — he was a member of the Centre Party in those days — and when Robert Mugabe took over as Prime Minister in 1980, he was given the job of resuscitating the Dairy Marketing Board.

Having put it on its feet, he joined the Cold Storage Commission, which was in crisis over beef supplies. Now

that, too, is working well again and beef exports to the European Community have resumed.

On his new challenge, Cross is quite clear about the need to break free of the South African stranglehold. He says: "My loyalty lies with the interests of Zimbabwe."

"For Zimbabwe to succeed over the next 10-15 years we must be more independent of South Africa. It's like being in water with a drowning man. If you don't keep some distance between the two of you, he might drown you too."

"If Zimbabwe does not put a little water between itself and South Africa we could be drowned by the situation in South Africa."

He adds: "I think Zimbabwe, Botswana, Zambia and the other countries of the Southern African Development Co-ordination Conference (SADCC) must accelerate their efforts to become more independent."

"By being so dependent on South Africa for the export of our commodities we are putting our long-term security at risk. So the motivation for those of us involved in this project is really straightforward."

Cross says that as well as securing efficient cost-effective outlets to the sea, BCG will also seek joint ventures in Mozambique — particularly in agriculture — in an attempt to stabilise the economy and ultimately the military situation there. Cross says:

"As far as I am concerned Mozambicans have a great potential."

All they require is some direction and a suitable operating framework.

"Once these are provided they are capable of running their infrastructure perfectly.

"I have been working with them for the past 18 months and I am most impressed."

He admits that the war in Mozambique, and South Africa's involvement in particular, have set back that country's development since independence.

"There is overwhelming evidence that the South Africans have set about to systematically destroy the Mozambican economy — and they have done a tremendous job of it, either by using direct commando attacks or using Renamo," he says.

"Simply by funding the bandits and building it to the stage today where it has an army of similar size to Mozambique, they have virtually destroyed any chances Mozambique had of simply rebuilding its economy.

"There has also been a fair degree of mismanagement on the part of the Mozambican government, but they have acknowledged this. They recognise they made some errors at the beginning and they now want to correct these shortcomings.

"Reforms taking place in Mozambique today are laying the foundation for what I think is a very exciting future."

Cross explained how BCG will work: "It will be financed by the private sector in the SADCC region. We have provision for \$23-m (about R4,5-m).

"BCG will be looking after the interests of companies insofar as the establishment of efficient, cost-effective outlets to the sea which are independent of South Africa. This involves providing services.

"The governments are going to be

responsible for providing the infrastructure — the railways, roads, port facilities, bridges, pipelines and dredging.

"When it comes to clearing and forwarding, shipping, specialised handling facilities, private medical facilities, car hire, translations, legal advice, that will be the job of the BCG.

"We believe in competition between individual companies but what we will do is coordinate to make sure the problems of individual exporters and importers are adequately resolved."

Until January 1, for example, shipping companies calling in Beira charged a premium over the South African ports. "We have now agreed with the shipping lines that freight rates at Beira will be the same as Durban, Port Elizabeth and Cape Town. If anything makes it uneconomical to use Mozambican ports, we will see to it that we negotiate the rates so that they are competitive."

Several tasks will be crucial to the new company: "One is hotel accommodation in Beira. Another is food distribution. We have to supply workers within the system with adequate food and basic necessities.

"We have to establish specialised handling facilities, particularly for cotton, tobacco, tea and coffee.

"Another urgent task is a phased build-up of traffic. If we were suddenly to push traffic down the corridor we would flood the system. We want to build up the system gradually.

"I think last year Beira was the biggest source of foreign exchange earnings for Mozambique. If we put people back to work, raise their standard of living, improve the supply of food, then we will be able to stabilise the economy and the military situation very quickly." — Gemini News Service.

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CSO: 3400/360

## NRZ SUCCESSES IN REHABILITATING RAILWAY TO BEIRA NOTED

Harare THE FINANCIAL GAZETTE in English 6 Mar 87 p 1

[Text] DUE TO the very rapid rate of rehabilitation work undertaken by the National Railways of Zimbabwe (NRZ), the carrying capacity of the Mutare/Beira railway line now far exceeds the handling ability of Beira port.

This situation will become more unbalanced in May when the line is expected to be operating at full capacity. At present the line is capable of carrying 700 net tonnes each way each day. From May this potential will increase dramatically to 3 500 net tonnes each way each day.

However, at present although the situation is improving, the port of Beira cannot handle present potential traffic.

"The key to the full success of Beira as a port for Zimbabwe's exports and imports depends on three factors", an executive in the freight forwarding business told the *Gazette* this week. "One is the improvement of the railway line which, due to splendid efforts by the NRZ, now seems to have been rehabilitated to a standard that should last for at least ten years, if it is well maintained. Secondly the port itself has to be improved, and work here will take much longer, particularly as quays 2 to 5 have to be reconstructed, which is a three-year programme."

The third element, the executive said, was the re-establishment of shipping links to the port. "Since the port has been virtually out of action for so long, shipping lines have dropped it from their schedules. We now have to persuade

them to re-establish Beira as a port of call, and this cannot be done overnight. Moreover, we have to prove that the line and port can operate efficiently and consistently, for ships delayed in port involve heavy expenses for shipping companies".

A spokeswoman for the NRZ this week told the *Gazette* that as at February 20, 60% of the rehabilitation of track on the total Machipanda-to-Beira section had been completed.

"70% of the rehabilitation of track on the Machipanda-to-Gondola section has been completed, and 44% on the Gondola-to-Beira section," she said.

"Work is continuing on schedule and the line will be available for full operational capacity by the end of May 1987. Clearance of traffic to and from Gondola is satisfactory, and capacity exists to move more traffic if it was on offer. Efforts are being made to encourage increased use of this route by exporters and importers," said the spokeswoman.

The length of the entire line from the Machipanda border at Mutare to Beira in Mozambique is 315km, while the distance from Machipanda border to Gondola is 137km. Initially, the NRZ had only been called upon to carry out the rehabilitation work from Machipanda to Gondola, while the Gondola-to-Beira section was to be rehabilitated by the Mozambique Railways. The NRZ is now assisting in the rehabilitation of the entire line.

## WORK ON NEW ROASTER AT KWEKWE TO BE DELAYED

Harare THE HERALD (Business) in English 12 Mar 87 p 1

[Article by Siegfried Raphael]

[Text]

WORK on a new \$1.5 million Edwards roaster at the Roasting Plant in Kwekwe, which is intended to raise the plant's gold ore processing capacity to 1350 tonnes per month, is now nearly complete, but anti-pollution concerns may delay the commissioning of the new roaster.

Cde Morgan Kadenhe, manager at the roasting plant, told Business Herald this week that pollution abatement equipment valued at \$750 000 was required before the roaster could be commissioned.

The same anti-pollution concerns were also delaying vital rehabilitation work required on the two existing roasters at the plant, both of which were at least 50 years old, he said.

To leave the ore amenable to the final process, cyanidation, it is heated in the roaster and other substances in the concentrate are driven off. These include sulphur, arsenic and antimonies.

Said Cde Kadenhe: "Because we are driving these off, there are environmental constraints. According to the 1971 Anti-Pollution Act, we cannot throw more than a certain amount of arsenic trioxide, one of our discarded bi-products, into the atmosphere.

"We are therefore looking at pollution abatement equipment, which requires \$750 000 in foreign currency, before we can commission the new roaster. However, the first tests on the local content (which cost \$1.5 million) are scheduled for the middle of this year.

"The other two roasters are now 50 years old and need rehabilitation. The problem is that unless we can get three roasters functioning, it is very difficult to plan how and when to do this.

"Also, certain new methods are coming in to solve the problem of pollution abatement, so we have to look at whether to go for refurbishment or go for these new methods."

The Roasting Plant's current capacity is 900 tonnes of concentrate processed per month. The new roaster will take it up to 1350 tonnes per month and increase gold production from 45 kg to a minimum of 60 kg per month.

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## BRIEFS

EMIGRATION SLOWS; VISITORS INCREASE--The number of emigrants from Zimbabwe appears to be slowing to a trickle while the number of visitors are increasing steadily, according to latest Central Statistical Office figures. Between January and September last year, Zimbabwe had 3 345 immigrants and 2 631 emigrants, giving it a net migration gain of 714 compared to a loss of 2 030 during the same period the year before. If this trend continued for the rest of the year, the country could have seen a net migration gain for the first time since 1975. Emigration which peaked between 1976 and 1984 fell substantially in 1985 while immigration picked up in 1980 and by 1984 and 1985 averaged 5 500 a year. Between January and September last year, Zimbabwe had 308 034 visitors compared to 268 440 during the same period last year. The number of visitors on holiday increased from 217 744 to 240 998 while those on business increased from 30 919 to 37 378, most of which were probably people attending the NAM summit. The number of people coming to Zimbabwe for education also increased, from 595 to 880 while those in transit increased from 19 182 to 28 778, probably reflecting the large numbers of South Africans passing through Harare as they emigrated to countries such as Australia. But the numbers of Zimbabweans travelling to other countries decreased from 255 195 to 203 177. [Text] [Harare THE HERALD in English 13 Mar 87 p 3] /13104

CSO: 3400/359



# TREURNICHT DISCUSSES FAILED ELECTORAL PACT BETWEEN CP, HNP

Johannesburg FINANCIAL MAIL in English 20 Mar 87 p 50

[Interview with Andries Treurnicht, leader of the Conservative Party; date and place not given]

[Text] Andries Treurnicht is leader of the Conservative Party (CP). He discusses the failed electoral pact between the CP and the Herstigte Nasionale Party (HNP), and how he differs ideologically from the National Party (NP).

**FM:** How do you feel about the failure to reach an agreement with the HNP?

Treurnicht: Obviously we are disappointed ... But it seems as though it has become rather impossible to have an agreement, and I think the time has run out. Our organisation is on its way. We have nominated 120 candidates, and at this stage it is impractical to stop the trend.

Even in individual constituencies?

That was a suggestion we made to the HNP last year in Klipriver, but Mr (Jaap) Marais rejected it at the time, and he said we couldn't have a decision on a local level. He decides from above as leader of the party. So at this stage I don't think it's feasible.

Was the CP's aim to wipe out the HNP?

That's a very negative approach. We have a positive approach and that is to become one right-wing political party, and in the process we, the CP, would disappear as the CP and become a merger, a new party — possibly with a new name. But that would be decided in a democratic way — decisions on the policy, name and leadership.

Where do you part company with the HNP?

First, they disagree with us on Mr Vorster. They want us to reject him openly and in every respect. Second, it's not clear what their position is towards the AWB.

When we were around this table with the HNP recently, they demanded that we reject the AWB in every respect. And now Mr

Marais invites them to take part in the political fight and he would discuss the allocation of seats through the AWB.

Third is the language question. We cannot agree with them that there should be only one official language, which would be a denial of democracy and of the specific cultural right of a particular cultural group.

Fourth, we cannot agree with their views as to the Indian people. We say the Indians are entitled to political rights and their own political structures even, if they prefer so, to political independence. They say only limited self-government.

Opinion polls have generally suggested only 18% of the white electorate support the rightwing parties, which suggests that you couldn't form a government?

That's an underestimate. According to certain other estimates the support for the CP countrywide may be around 28% to 30% ... Very few people expect a young party like the CP immediately to take over power against a strong party like the NP. But we are aware of a strong flow away from the NP in the direction of the CP.

Even if we don't win the election we will continue because we believe our political formula is the best for SA, not only for the whites but including other racial groups.

Are you not concerned that a rightwing split will be to your disadvantage?

It's a debatable point. One has first to establish what is the real strength of the HNP. If it is between 1% and 2% in Pretoria (a certain estimate is about 7%, and for the CP about 40%); if that is so, the HNP's real support is debatable.

Then you have to be aware of the fact that

not all members of the HNP are going to vote for a CP candidate, and not all CP members are going to vote for an HNP candidate on account of its policy. We had that experience in Klipriver. They accused us when about 1 400 people who were identified as rightwing in Glencoe did not vote. But that was because of the policy of the HNP candidate.

A third factor is that there are many members of the NP who are looking for another political home. Many of them see it as the CP but, they say, they are not going to vote for the HNP. A fourth factor is that English-speakers (with some exceptions) are not going to vote for an HNP policy which claims only Afrikaans as the official language.

**How do you see SA under your stewardship?**

First, you have to take into account the reality in SA of the diversity of its peoples and cultures and races. The reality also demands that for the sake of self-determination, which is a very important principle, the various groups of peoples should have the opportunity to exercise real self-determination.

We don't think that is possible in a unitary system, and that is why we believe in diversity. We believe in the division of land for the various groups of peoples in which system it is possible to achieve the highest form of self-determination and even sovereignty.

**Is the NP's notion of "healthy power-sharing," which retains Afrikaner control, much different?**

The NP is covering up the real end of the road towards which they are leading the people. We don't think that's being honest with the electorate, because it's obvious that sharing of power cannot mean that you retain power. It means the loss of power -- at least, you lose control.

**Despite the built-in mechanism of white control in the tricameral parliament?**

In such a system you cannot speak in terms of self-determination for the coloureds and the Indians. In such a system they are still minority groups, and who is going to guarantee the minority rights? It must be the

majority, the larger party.

The crux of the matter is that if Mr P W Botha fulfils his promise, bringing in the blacks, which will be about 16m-17m, in a democratic way with equal opportunities and equal treatment, it's quite obvious that the majority will be a black majority -- black majority rule.

**The NP is looking for a mandate in this election to negotiate with blacks. Is negotiation with blacks not needed to deal with black protest and demands for a say in central government? How would you handle it?**

The difficulty with the NP's approach is that it renounces its position of power and control, and then wants to negotiate. That is to lose your power base and to pool authority and then try to recover something from that. We think that's politically foolish.

**Doesn't your separatism ignore the reality of economic interdependency in SA?**

We all accept an interdependence of the various racial groups, but we still think it's possible to maintain separate political structures. There are various examples of economic interdependence between sovereign states without them denying their own sovereign political power.

**Should the CP come to power, are you not worried by the prospect of increased foreign sanctions on SA?**

It is clear that sanctions do not scare people as much as those who wish to impose them would like. The US admits that SA has a strong economy and could survive even without the US. That's true. So if you have a strong government which guarantees internal stability, then there is also confidence from abroad.

**But will blacks be happy under your rule?**

It depends on what they demand. The demands of the African National Congress, for instance, mean a takeover of SA, denying the rights of other communities in the country. That is totally unacceptable. If such demands were forced on the country, they would meet with very strong resistance because it would mean surrender. And any free people would simply refuse to succumb to those threats.

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## CAUSES OF FACTIONAL FIGHTING AMONG BLACKS IN TOWNSHIPS EXPLORED

Johannesburg FRONTLINE in English Feb 87 pp 24-25, 27

[Article by Nomavenda Mathlane]

[Text]

**A** SATURDAY in January. In an Azapo-held portion of "Deep" Soweto there is a commotion. A group of people are chanting and wielding firearms and weapons. Could this be a bunch of thugs or an impi winding up the festive season?

On a closer look, one recognises familiar faces. These are respectable guys who clutch briefcases on Monday morning, rushing about their business as insurance people, trade unionists and computer programmers. They are conscientious husbands and fathers and I have listened with admiration to them holding forth at diplomatic parties, speaking up for the black cause while clicking champagne glasses and looking as if they had never touched a dangerous weapon.

But this is a funeral, of the mother of the general secretary of Azapo Mr George Wauchope. She died of natural causes, but politically related funerals have become battle grounds for power. The people are staking out their territory and their defiance of their rivals.

It is not like 1976. In those days the activists had their guard up only against the police. Now, although there are many Casspirs and Ford Sierras and youths scuttle whenever the Yellow Mellow armoured police bus appears, the main conflict is between people who used to be friends and allies.

In 1976 nearly all the activists were Black Consciousness, but now some have followed the route and are with Azapo and others have taken a different route into the UDF. The fight between the two is wreaking more devastation than

the fight with the System.

Last year an Azapo member, Siphos Mngomezulu, was abducted from his home in Emdeni in full view of his helpless parents. His body was later found amongst the rubble in some veld.

On the morning of his funeral the family was getting ready for the burial and mourners had dispersed after the vigil.

Then some people set the coffin alight. Azapo members were alerted and arrived in time to stop the corpse being burnt.

Later, when the mourners were returning from the cemetery, a combi stopped and Martin Mohau (22), who was recently released from Robben Island, was kidnapped. His body was found at the government mortuary. From then on the feud has worsened.

Such is the life and death of people in certain areas of Soweto, Tembisa, Bhekersdal and portions of the Eastern Cape. In some cases, one group has had a member kidnapped and to secure the release of their member they would kidnap from the rival organisation and an exchange of victims would take place.

While this is going on, the townships are in a demoralised state. The school crisis, detentions and mugging in broad daylight are causing concern and the rent boycott is a big worry as people expect lights and water to be cut off.

That is the background against which the civil war of the townships takes place. Each group accuses the other. Azapo claims that the UDF wants to wipe it off the face of the political scene. UDF counters with claims that Azapo are the aggressors with the help of the police

and the Makabasa.

"No" says Azapo, "it is the UDF who have the help of the police. Our members who have been found with weapons have been arrested but no UDF member has."

While the argument of "who's doing what to who" rages, people are dying. Azapo has names of 24 people (16 in the Eastern Cape and 8 in Johannesburg) who have died in the feud, plus many who are injured. Now George Wauchope has twice had his home petrol bombed and two of his relatives have died by violence.

What is it all about? Nobody is certain. Some trace the beginning to 1983 when the president of Azasm, Kabelo Lengane, was assaulted at Durban Westville campus and later at Turfloop by students who were turning away from the Black Consciousness line.

Azasm — known as the Zim-Zims — remain in the Azapo fold, and have recently been chased out of some schools falling in the UDF area, but the same has applied to Sosco members in Azapo areas.

Some people say that the crunch came when Azapo picketed Senator Ted Kennedy's tour and forced him off a platform in Soweto. From that moment on, some Azapo members claim, the writing was on the wall. It was war. They say they opposed Kennedy because he was assuming the role of liberator, but UDF saw it as an attack on them.

Some say the conflict began as early as the 1982 commemoration service of June 16. Traditionally, Azapo convened the main service at Regina Mundi, but that year, claims Azapo, the Wararas (a nickname for charterists, meaning people with no clear policy, the waar-waars) tried to take over. Azapo won the day but one of the speakers — Mr Samson Ndou of the General Allied Workers Union — is alleged to have said that "those who do not recognise the Freedom Charter are not with the struggle".

There was also the fact that Azapo claims it tried to create a broad anti-government front when it inaugurated the National Forum at Hammanskraal in May 1983.

It included people who were not Black Consciousness, but four months later the UDF was formed at Mitchell's Plain with the same objectives.

UDF has since come up with numerous committees such as the Free Mandela Committee, the ECC, and many more, while little is heard from the National Forum.

Other incidents also inflamed the con-

flict. Azapo sacked its president, Mr Curtis Nkondo, for addressing multi-racial gatherings and seeking the help of Mrs Helen Suzman to secure the release of his detained brother. Azapo claimed he had acted against its principles by collaborating with government-created bodies. Some outside elements tried to pressurise for Nkondo's reinstatement.

Then at the mass funeral at Uitenhage, Azapo members claimed that they had their T-shirts torn off their bodies, and the last straw was at that funeral when the UDF organisers allowed PFP speakers to address mourners, but refused to give Azapo a platform.

What is certain is that we now have a completely new kind of trouble. Ideological differences are nothing new. Any visitor abroad can endorse this.

You feel the hostility between ANC and PAC as soon as you arrive, and if you land on the ANC camp then the PAC will certainly ostracise you and vice versa. You can innocently think that you are only calling on old friends who are now in exile, but you soon find that they have divided. If the first friend you call on has fallen into the ANC camp, then your next friend, who is PAC, will not even greet you.

But their war is a cold war. They do not kill each other. Even David Sibeko's death was finally attributed to internal PAC wrangles. First, there is no way the exile movements can start eliminating each other without earning the wrath of the host governments. Second, try and imagine any of the guys in exile being necklaced in Botswana or in London. It would create chaos. The bottom line is that it is in no-one's interests.

But inside South Africa the organisations which are linked to the mother bodies abroad behave in deadly fashion. This is also new. The split from the ANC by the PAC, when they were still in South Africa, was certainly not gentle, but at the same time it was not bloody.

Now we have open war between forces which both claim to be opposed to the government. The war does not make sense to many people and leaders like Bishop Manas Buthelezi and Bishop Simeon Nkoane have tried to bring the groups together.

Azapo claims that the failure of these efforts is UDF's fault. Azapo president Mr Nkosi Molala says that UDF people duck meetings or if they attend come up with "flimsy excuses" such as "we need to get a mandate from our member organisations", and then do not come back

"An issue in point is when we proposed that both organisations should tour the country jointly and instruct our supporters to cease fire. They agreed in principle but told us they would first have to get a mandate. They have since not come back," says Molala.

It is not easy to get to the heart of the matter. What makes it worse is that in most cases these people have been friends. Some have been at school and university together, others have spent some time on Robben Island.

In fact, the situation can be very embarrassing for onlookers and non-activists. These have to declare loyalties which they do not want to have and take stands that go against their principles. If you have a wedding you cannot freely invite friends, as could be done even about three years ago. Now you must exclude supporters from one side.

So far, ordinary adults have not been coerced to join either side. Most people are not at all interested in either ideology, but only in liberation. They pay no attention to the war between the movements, except when there is fighting in their neighbourhood.

Now every funeral of a young person is a political football. One of the Movements will claim that person, even if he or she has had nothing to do with politics. An

8-year-old girl died in a car accident and Wararas went round collecting girls to attend the funeral. From this funeral the Zim-Zims stayed away. But commonly funerals end in more deaths and most people are frightened even to go to a funeral.

What is more, both groups now carry guns, claiming "for protection". In political deaths, people are not stabbed any longer. They are necklaced or gunned.

For youngsters it is more difficult to avoid taking sides. For example if there is a predominantly Zim-Zim school and the Wararas are chased out, then those who remain are seen as Zim-Zims. They cannot say "I am not involved" because people will assume that they are at least Zim-Zim supporters, and then they can be attacked in their turn.

From UDF sources it is difficult to obtain comment. Many members are in hiding. One leading member refuses comment and threatens "consequences" if this story sees the light of day.

But Mrs Albertina Sisulu, a UDF president, criticises both organisations. She says: "Azapo must not pass the buck and tell a deliberate lie. It is not just UDF killing; everybody is killing."

"Azapo must not provoke people by running to the Press and saying UDF is killing them. Both groups must come together and solve this problem." □

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CSO: 3400/369



## UWUSA ATTEMPTS TO HEIGHTEN PROFILE

Johannesburg FINANCIAL MAIL in English 13 Mar 87 pp 53-55

**[Text]** Ten months after its impressive May 1 launch at Kings Park in Durban, the United Workers' Union of SA (Uwusa) believes the time has come to heighten its profile.

The union, which is currently scouting for a media liaison officer, says it wants to attract the right, qualified, personnel to help guide its fortunes. The motivation comes from secretary general Simon Conco, who says he wants to beef up the union's leadership cadre before he steps down in a few years' time.

Says Conco: "We are definitely looking for younger blood. We would really be happier with a man at the helm better versed in labour matters than myself."

Reflecting on the progress Uwusa has made since its rousing sendoff on May Day, Conco says it is now representative at 44 factories in Natal and 30 in the Transvaal, where it opened an office in September.

It has 132 000 signed members, about a third of which are already paying dues. The mining industry — where several access agreements have already been tied up — and the Transvaal remain strong target areas for recruitment.

Conco admits the organisational thrust has not been directed at major industries because he feels the union must also serve "the small man." Also, most of the negotiating so far has been done on behalf of aggrieved individuals. A further eight cases are to go before the Industrial court in Natal shortly. But where the union has negotiated wage agreements, he maintains none of the settlements have been under 16% and some have been as high as 30%.

Bold claims were made at the time of Uwusa's launch that the union had the capacity to quickly increase its paid membership to around 80 000. But Conco claims the

disappointing membership growth can easily be explained. At the time, the union was engaged in merger talks with other union groupings which subsequently fell through. Latterly, he says, Uwusa was forced to slow down its recruitment drive and send personnel off for training when it became clear that it did not have the qualified personnel to properly address workers' problems.

"We could not let the membership run ahead of us," claims Conco, "because we recognise the union will be judged on its effectiveness at solving workers' problems. We have to deliver the goods and show them that we know what we are about."

For all that, he believes workers will find Uwusa's anti-sanctions/disinvestment stance more appealing than the ideological stance of its opponents in the longer term. He is aiming at recruiting 100 000 due-paying members by the end of the year and 200 000 by the end of 1988. Nor has he given up his objective of forming an alternative federation to Cosatu, and says merger talks with unnamed "other parties" are continuing.

Ironically, Uwusa was branded at its inception as a "sweetheart" union. Conco puts at least some of the blame for its tardy progress at managements' door. Management, he says, seems to prefer "dealing with a devil they know rather than one they don't."

He cites the on-going dispute with the Food and Allied Workers' Union (Fawu) at Jabula's Springs plant, and a stevedoring company in Durban where Uwusa has proved it is representative but still has no signed recognition agreement, as examples of management showing a preference for their opponents.

What has not been helpful either, Conco contends, is the on-going confrontation with



Cosatu and intimidation on the factory floor. There is evidence, he says, that it is being "orchestrated by a central force." Perhaps the best example is the dispute with Fawu at Jabula, where 29 Uwusa workers have been unable to resume work because of widespread intimidation.

The allegations of intimidation invariably have Uwusa cast as the aggressor. But last week Uwusa won a R1 600 damages suit against Fawu members in the Durban Supreme Court for violence at the Clover Dairies plant.

As disturbing and unseemly as the violence may be, Conco gives notice that in future the new look Uwusa will be more than a match for its opponents. "We're not complaining," he says, "we have the capacity to look after ourselves. We promise our opponents nothing but a very hard game."

It is going to be interesting to see whether Uwusa will be able to live up to its proud boast. Most analysts still see it as a largely irrelevant force in the black trade union movement. Whether the infusion of new leadership will change all that remains to be seen. ■

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CSO: 3400/369

## BLACK HOUSING ATTRACTS DEVELOPERS

Johannesburg BUSINESS DAY in English 18 Mar 87 p 16

[Text] BLACK housing continues to attract major developers, and long-term projections now include the sector as prime expansion territory.

Time Housing has had its continuing interest in Transkei and Ciskei rewarded with two government contracts worth R34m for 700 homes.

500 homes

The first development is at Hillcrest, outside Umtata and involves 500 affordable homes. The contract is worth R22m.

The second is a R12m, 200-home development at Mdantsane, outside East London, to be named Golden Highway.

At Mdantsane, servicing is expected to start within the next two months and construction will follow in parallel.

Time group chairman, Colin Hibbert, says he sees exciting growth opportunities in Transkei and Ciskei.

"And our association with Rand Merchant Bank enables us to round off our professional project approach by offering clients cost-effective financing packages. This, we believe, gives us a distinct edge over our competitors."

While houses at the Hillcrest development will be priced from R25 000, those at Mdan-

tsane will cost between R45 000 and R55 000, including land.

At Hillcrest, the company plans to have at least 140 homes completed in the next 12 months. The remainder will be built in accordance with market demand.

S M Goldstein reports that work-in-hand for public sector mass housing projects totals R18m.

A spokesman says the contracts, mainly in Ciskei and the Cape, are for a total of 1 062 units, with clients being provincial administrations and community development boards.

Liat Construction CE Izak Sperling says the company's major project is still the 2 000 unit contract at Mabopane in Bophuthatswana.

"Already 1 001 new houses were handed over in November 1986. Phase two, the construction of 900 homes, has started and all are for completion by October."

The houses, simple in design, are of two sizes with floor areas of 50m<sup>2</sup> and 60m<sup>2</sup>. Most sites are 300m<sup>2</sup>. The unit price based on July 1985 estimates, is about R12 000.

"The building of these houses is a great step forward for the people of Bophuthatswana. Liat's role has been from the initial planning to active completion of the project."

**SACP UNDERGROUND LEAFLET URGES WHITE, BLACK WORKERS TO UNITE**

London **THE AFRICAN COMMUNIST** in English No. 108 Fourth Quarter 1986

**[Text]**

Our country is at war with itself. This is where apartheid has brought us.

From the time Van Riebeeck landed in the Cape to the present you have lived on the basis that the way to your survival, to your privileged wages, and to your prosperity and progress depended on the super-exploitation of black workers and to white domination over all blacks. Our rulers (and they are your rulers too, white worker) fed you with racism and promised you peace and prosperity if you joined hands with the bosses and politicians.

White worker, they asked you to forget your own experience of struggle against the mine owners and the bosses. They fed you with tribalism (of the Afrikaner volk,) and racism (of white superiority) to blind you against the real lessons of the struggle of workers the world over against the bosses and the state that serves the capitalist class. With the spectre of 'Swart Gevaar' and the carrot of economic, social and political privilege if you would serve as junior partners of the capitalists they turned you away from your fellow black workers and from your real future. And so you surrendered your class interests to the poisonous ideas of racism.

Communists have always worked for a future to be won by the unity in struggle of all workers. Unity and struggle based on class not colour is the road to our real future.

Look at South Africa today. Is this the future you wanted?

Is there the peace your heart desires? From centuries of domination and exploitation the black people have risen in revolt. Black workers are uniting in their hundreds of thousands and fighting the bosses and the apartheid state. Black children stand with stones in hand, unafraid of the Cospirs, of the sjambok and rifle-wielding SADF and SAP. The black people have taken to arms and all the power that Botha-Malan can muster is doomed to failure. Apartheid has plunged our country into a bloody conflict. Spurred by profit and power Botha-Malan have set our country on the path of disaster.

What has happened to the never-ending prosperity the ruling class promised you? For decades you closed your eyes to black poverty and black unemployment. Now the economic crisis of our country cannot be rescued by apartheid and capitalism. Economic growth is at a standstill and inflation has become rampant. The breadbasket that your privileged wages buy for you is shrinking. You cannot keep up your house mortgages and the insurance companies are foreclosing on your mortgages. Unemployment is

beginning to stare you in the face as well. All this while the capitalists you agreed to join hands with continue to reap fat profits. That is your future along the apartheid road.

And that grim outlook is made even more certain because even the world has risen against apartheid South Africa. The world's revulsion is isolating the Botha regime more and more. And sanctions will most certainly result in a lower standard of living and unemployment for you as well.

When the bosses tempted you to become their junior partners they had a clearer vision of what they wanted to do with you. Today you are apartheid's cannon fodder. It is your life that is threatened and endangered when apartheid invades Angola, refuses to yield Namibia to the Namibian people under Swapo and carries out murderous raids against the independent African states. It is you who are brutalised and your life threatened when the SADF and the SAP occupy the black townships of our country. When the Botha-Malan clique imposed conscription into the army for you and your children, they knew better: they wanted to guard against the day you would wake up to the truth and ask yourselves: why should I and my children serve in an army of oppression, an army that serves a doomed future?

While calling you junior partners, they in fact made you time-servers of apartheid. And because they won you over on the basis of falsehood and raw prejudice, they insist on controlling the media so that your eyes should be closed to the truth.

If until now you have slept in your suburbs in relative peace and security, that will be no more. If you have deluded yourselves into thinking that the struggle of the black man will forever be confined to the black townships and crushed within those townships by repression and military might, that time is now past.

The revolt of the black people can never be repressed and their right to freedom cannot be denied. From the fortresses of the black townships the struggle for liberation is drifting into the white areas and is destined to engulf the whole of South Africa.

Even the capitalists are reading the signs of the future. Big Business is demanding the unconditional release of Nelson Mandela and all political prisoners. Big Business is demanding that Botha unban the African National Congress. Big Business and even some Afrikaners are saying apartheid must go and that the future of our country must be negotiated with the African National Congress. Are you going to tail behind those who lured you into deserting your real class interests? Is it not time that you faced the future with courage? Courage born out of a vision that you have lived a lie. Only then will you be able to set yourself free of the prison of racism and strike out boldly towards a future which will be born out of the liberation of the black man and the unity of all the workers of our country. Stand up against apartheid! Join forces with your class brothers — the black workers! If you do this you have nothing to fear and everything to gain. Fight side by side with the black people for a united South Africa, for a democratic South Africa based on one person one vote, for a non-racial South Africa, and for a South Africa where working men and women who are the real producers of our country's wealth shall truly enjoy the wealth they produce!

INDEPENDENTS STRESS ELECTION'S INTERNATIONAL SIGNIFICANCE

MB220851 Johannesburg SUNDAY TIMES in English 22 Mar 87 p 18

[Advertisement issued in support of independent candidates Wynand Malan, Esther Lategan, and Denis Worrall; words within slantlines published in boldface]

[Text] /The eyes of the world are on them./

/Here's why your support is of international importance./

The general election on May 6 has created intense interest overseas.

Politicians, investors, sportsmen, traders, and many old friends and well-wishers, are sitting up and taking notice.

Their attention has been aroused by the independent challenge of Denis Worrall, Wynanda Malan and Esther Lategan.

What's more, reactions from abroad have already had a positive effect on financial markets.

In fact currency dealers in London attribute last week's dramatic rise in the Financial Rand to what they call the "Worrall factor."

/WHAT THE WORLD WANTS NOW/

The world is waiting for a message from South Africa.

It will interpret the election results in the Helderberg, Randberg and Stellenbosch constituencies in one of two ways:

Either that white South Africans are ready for fundamental changes involving all races.

Or that they would prefer to carry on with apartheid despite unrest, disinvestment, trade boycotts, sports isolation and the increasing threat of sanctions.

The independents believe that South Africa's future must be decided by South Africans of all races in South Africa.

They emphatically reject foreign meddling in our affairs.

But they also insist that world opinion must be taken seriously. Not, as some of our leaders suggest, disregarded with contempt.

After all, South Africa needs world markets, foreign investment and international trading opportunities in order to survive.

To create employment. To re-build our struggling economy.

/YOUR SUPPORT WILL MAKE A WORLD OF DIFFERENCE/

The more support the independents receive, the more South Africa's image will improve.

But how can you support them if you are not eligible to vote in their constituencies?

The answer is to return the coupon at the foot of this page. It gives you five ways to express your support.

Your coupon will prove that, like many others, you believe the time is NOW to set a new course for the future.

And for South Africa to become a respected member of the international community once again.

/The New Spirit of South Africa/

/The time is NOW/

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CSO: 3400/288



NRP'S SUTTON DISCUSSES ELECTION, REFORM

MB172021 Johannesburg Television Service in English 1830 GMT 17 Mar 87

[Interview with Bill Sutton leader of the New Republic Party, by Freek Robinson on the "Network" program -- video recorded]

[Text] [Robinson] Good Evening, Mr Sutton, and welcome to "Network." Could we first start off by discussing policy as such. Now you are not going to put out a policy manifesto for the NRP as a party, but could you just briefly indicate from a personal point of view your political platform for this election?

[Sutton] Well, we have got six points which I have put out in my own personal manifesto, which is the manifesto of the party. People in other constituencies will obviously have to put out manifestos which are related to the local conditions and local problems. Our first point that we make: We stand for a government of national reconciliation. We believe that people have been so estranged in this country by actions of the government over the last 30, 40 years, that we actually have to go out now and reach out to people and bring them together, as happened in the previous really great crisis in our history, the time of the gold standard crisis when the great leaders of our party, which became the United Party [changes thought] General Hertzog and Gen Smuts reached out to each other and formed a coalition, which led to one of the most productive periods of legislation in South African history. Now we say we have got to repeat that performance today. We've got to show that sort of leadership. So we want a government of national reconciliation based on three principles. One is: Bring saam wat sam hort [Bring together those who belong together]. In other words, go out and find the people who are the moderates, the realists, the people who believe in democracy and believe in the free enterprise system. The second principle is the indaba, the principle of negotiation. When we've brought the people together that principle will allow them to come to really sound conclusions. And the third principle is that reform begins with the inclusion of blacks in parliament. We say that for a very very specific reason. If you're going to negotiate with people and you're going to come to agreement with them, people have got to be equal. The only way in which people can be equal is in parliament, because only in parliament are people all of the same standing, and even the state president coming into parliament bows to Mr Speaker. So we are absolutely insistent that blacks must be included

in parliament as a beginning of reform. I think people tend to think that the government will reform. They will do a bit of reforming here and there, and as they go along, and as they feel like it, and if there's no crisis and no by-election, then they do a bit of reform. When they have finished it, then the blacks will be invited to get on the wagon. But our point of view is not like that at all. It is more urgent now, most urgent, that blacks should be included in parliament now, so we can get on with real reform. And the second point we make is that there should be a coalition government for South Africa, across party and color lines. And that [changes thought]. We have actually made movement to get that thing initiated, the meeting we had in Pretoria earlier this year, where we brought together black leaders and ourselves to talk about reform. We have another meeting coming up very shortly, where we will expand the base of that movement to include other parties in politics, other groups, Indian, colored groups, the black groups, so that we can actually talk to the government as a group of South Africans interested in a coalition government which will include blacks in parliament.

[Robinson] It seems to me, Mr Sutton, what you are putting forward is not policy as such, but strategy, and it seems that you have decided that in the alliance with the PFP you are going for an overall strategy. Now, some people say these days, as the election campaign evolves, that you are actually a dying party, and that you can only be saved by the alliance with the PFP.

[Sutton] Well, I think people have been saying that about us for a long time, and it still hasn't happened. I think if you look at what we are doing now and what the future is going to hold, we say we are the grain of sand in the oyster. Around us there is going to coalesce the pearl that is going to become the new South Africa. Because you talk about policy, what we are saying now to get blacks into parliament, that is the first priority. And what we believe can be done as a matter of urgency is that there [changes thought] It should be considered that the proposed national statutory council could be included in parliament as an upper house, or a senate, as we had before, which would give us federal links between the various homelands and the government and allow other blacks to come into parliament, to come into the standing committees of parliament, where the negotiation ought to take place. Now, what we say is this, if you are thinking about having a national statutory council, which was seen by the government as being a means of including blacks in the negotiating process or any other process -- legislative process or anything else -- you cannot afford to create a rival to parliament. Now we have had from the government in this election absolutely no indication of what their proposals for reform are. We say to them that we would like to know exactly what they are talking about. They tell us: Don't worry about reform. We have got it all planned out, it's all there, we know what we are going to do. When I watched the other night Mr Barend du Plessis with his manifesto, it seemed to me he was saying to me: In this packet here, this nice little packet, I've got a nice sack, I've got a nice little fat little pig, and I'll sell it to you for 50 rands. And I say to him: Barend, show me the pig. And he says: No way, you should give me the

50 rands first. Now, I'm telling you, and I'm telling him, and I'm telling the country: No farmer will ever buy a pig like that. We want to see the pig. So what we say to the government: Tell us what is your policy. We've got a proposal to make. We believe blacks must come into parliament. We say so, now in this election, that is the bottom line for any kind of reform and any kind of progress. Now, I say to the government: You show us the pig. We want to know what your policy is. We have got a policy. And we believe that parliament is the place where the guarantee of all people, all groups, all culture groups, can be maintained, because parliament has got rules, it has got discipline, it is a place we know how to operate.

[Robinson] All right, Mr Sutton, let's see what you have in that bag, because I think it is possible to say that if you say blacks must be included in parliament that is not necessarily a policy. How are you going to do that? And I believe some of the constituents in Caledon might say: Where are the safeguards? I think that is a possible question.

[Sutton] Well, we had a meeting in Caledon the other night, there were 52 people there, and not all of them supporters of our party by any means. And when we had finished speaking to them and we had told them why we wanted blacks in parliament, and about our proposal as an immediate short-term step to include the proposed national statutory council in parliament there was not a vote recorded at the end of the meeting against us. And the questions asked by people who were Nationalists were all seeking clarification of the proposal, clarification of the idea, but there was absolutely no opposition whatever to what we are saying must be the leitmotif of this particular election: That blacks must be included in parliament. What we are hoping for is a coalition, which means that at the time the next election comes, the coalition will field candidates in all three chambers of parliament, and any black elections that may come up. And I want to point out to you what we are talking about is the fact that if we are going to control the black urban areas, there is only one way to do it, and it is through a political motivation that gives those people the incentive to reach out and control their own areas, control the streets, protect the candidates, protect the meetings; and they will only do it if they know there is an incentive that they can come into the cabinet and into parliament. Now I say to you: you say how are we going to do it? We made our proposal but in fact the truth is the constitutional form is of minimal importance. What is important is that people who work within the form, because you can have the worst constitution in the world, but if the people who work within it want to make it work, it will work like a charm and you can have the most smart, clever, constitution in the world where people don't want to make it work it won't work. So what we say is -- and everybody says it -- the whole of the political spectrum says you must consult with black people, how they see themselves and their future in politics; what we set as the bottom line that they must be included in parliament, and that is something that nobody...[changes thought] the government certainly has not accepted as a principle.

[Robinson] Judging on what you have said now, it seems to me that you are actually seeing this election as an interim step to foster an alliance between various groups and then to make 1989 actually the election of the real issues.

[Sutton] Well that means we are not going to die this election, doesn't it? That means we are going to go ahead. [laughter] Well, I am telling you we are not going to die in this election. We are going to go ahead. What we have started here is something which is of most immense significance for South Africa, for one reason, and that is (?where) it shows leadership. The biggest problem we have got today with the government is there is absolutely no leadership whatever.

[Robinson] The leadership by whom?

[Sutton] By the government, and the change when we had at the rubicon

[Robinson, interrupting] But who shows leadership?

[Sutton] Well we are showing the leadership because we are saying to the people of South Africa, here is the way which you can solve the problems, and we are going out and we are bringing people together. We are doing what we were asked to do. I and Dr Slabbert [Former PFP leader] were asked by the special committee appointed by the state president a couple of years ago to find people who would come and talk to the government, to put together a structure of people who would come and talk to the government and negotiate about reform, and that is what we have done. We are doing it now, we will continue to do it and we will go and talk to the government about reform. But we say the bottom line on which we will negotiate is the inclusion of blacks in parliament, because only on that basis of equality can you talk meaningfully to people about reform.

[Robinson] Thank you Mr Sutton.

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CSO: 3400/288

PFP'S SWART ATTACKS GOVERNMENT SECURITY STRATEGY

MB191244 Johannesburg SAPA in English 1243 GMT 19 Mar 87

[Text] Durban, 19 Mar (SAPA)--Natal PFP leader, Mr Ray Swart, today attacked the government for "its endless commitment involving tens of thousands of young South Africans to border duty and township patrols with no light at the end of the tunnel." Launching the campaign in Umlazi of PFP candidate, Mrs Ann Currie, Mr Swart said this was part of a security problem confronting South African. "It is ironic that he Nats, who talk so often and loudly about security, are themselves the biggest security risk which this country has. The security situation is obviously of major concern to all South Africans, and the Nat propagandists are hell bent on exploiting this concern to bully and cajole people to support the Nats in this election," he said.

Mr Swart described the security offered by the government as "a limited, short term, ad hoc security bolstered by a state of emergency." The PFP was far more realistic in its concern over the security situation. It was just as committed to maintaining law and order in South Africa, and protecting the borders against attacks from outside. Those were just short-term measures made necessary by the circumstances of the political desert into which Nat policies had driven the country.

"What is needed, is to get to the root of causes of discontentment and unrest in South Africa, and to do something about them. We need to seek reconciliation among South Africans who are divided today as never before, and this can only be done by way of free and open negotiation," Mr Swart said.

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CSO: 3400/288



SURVEY REVEALS AFRIKANER, ENGLISH INTEGRATION DOUBTS

MB191505 Johannesburg SAPA in English 1421 GMT 19 Mar 87

[Text] Johannesburg, 19 Mar (SAPA)--Two people in every five are worried about racially mixed residential areas, one person in every three about mixed beaches, and one in every four about mixed cinemas, hotels and pubs.

These are the result from Market Research Africa's [MRA] sociomonitor study, which ran a survey on 2000 white urban adults between March and May, 1986.

Afrikaans speakers were shown to be more concerned about the issues than their English counterparts.

56 percent of Afrikaans speakers were worried about mixed residential areas, compared to only 24 percent of English speakers.

Although women were more concerned than men about mixed beaches and cinemas, hotels and bars, there was equal concern between the sexes on integrated residential areas.

The youth were more concerned than older South Africans about integration, especially in cinema, hotels and pubs.

Integration of public facilities is likely to be most opposed in the OFS [Orange Free State], followed by the Transvaal, Cape and Natal, the survey showed.

Opponents are also more likely to be poorly educated and in the lower income group.

Commenting on the findings, Helena Oosthuizen, senior research executive in MRA's sociomonitor division said, "the rejection by young adults of the concept of integration does not augur well for a harmonious existence in a mixed society." "It is unlikely integration will take place without much rejection from certain sectors of the population," she added.

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CSO: 3400/288



## EDITOR DECRIES RISE OF PSEUDO LIBERALS; ROLE IN PROTEST

Johannesburg FRONTLINE in English Feb 87 pp 36, 37, 40

[Article by Denis Beckett]

[Text] **T**HE Central Methodist Hall in Johannesburg. A lunch-hour meeting early in December, launching a campaign to have detained children freed by Christmas.

The air is thick with Liberalhood, of the peculiarly South African variety. This is not always the same thing as liberalism, in the normal dictionary definition.

Down there near the front sits a fierce UDF-ite — white and well-off, like many of the fiercest — who is given to making gleeful pronouncements about publications and practices which are due for the chop "when The People take over". Nearby is an elegant lady who denounces apartheid and its perpetrators loud and long, but is hotly opposed to the idea of peasants and labourers having the same political rights she does.

Both are identified as Liberals, in the SA context, although neither has much connection with authentic liberalism — to which the notion of separate levels of citizenship is quite as alien as is the dictatorial instinct.

Most of the people here may share liberal values, but the main unifying factor is that nearly all *look* Liberal — the whites among them especially. They smell of class and education and difference.

What would happen if a crowd of potbellied, heavy-jowled, comb-in-sock, white-shoed, safari-suited, sideburned, Brylcreemed caricatures of white South Africa were to walk into this hall and take seats? Would the Liberals rejoice that they were making headway at last, or would they look askance, peeved at losing their exclusivity?

The meeting starts with a batch of short and punchy speeches. Abundant sincerity, abundant outrage. There are tales of brutality and callousness, tales of casual arrests of suspects' relatives, accounts of the traumatic effect upon the children.

It is all very moving. Indeed more than moving. The spoken voice is a different thing to a newspaper account. It brings home an emotive depth to the catastrophe we are living through in a way which, for me, translated objectionable generality into living reality.

Most of the speakers are well-known liberals. Two are not. They are township parents. These two are different. Their speeches are even shorter. Their English is different. (They both apologise for this. They have no need to. It is perfectly clear, expressive English, adding vibrancy to what will eventually become a South African lingua franca.) They refer not at all to the abhorrence/shame/disgrace/etc of apartheid. They just want their kids out of jail.

One has a particular worry. A local child was released one night at 7.30, with one rand in cash. The Diepkloof gate was just opened for her and she was out. She spent her rand on a taxi to Bara (the taxi-driver also displaying a certain shortage of Christian compassion), and then set out to walk through the night to Kettlehong, some 20 kilometres away.

The father's concern was that his daughter — 13 years old — might receive the same treatment. If the police can bother to come to our house to collect her, was his plea, will they kindly bother to come to our house to bring her back.

The other father had no specific complaints. He said vaguely that the treatment was bad and the food was bad, but the particulars seemed minor to him. What came through, with shattering conviction, was the sheer horror of his daughter spending night after night in a prison.

One didn't need to be liberal or Liberal or anything other than flesh-and-blood to feel like throwing up at all this evidence of what is happening in our country.

However, precisely how much improvement did the Free The Children campaign achieve? How much did it even hope to achieve?

What it did not achieve was a Christmas amnesty. Government's public response consisted of a statement that only 256 children were in detention (a stark deflation from the figures mentioned at the meeting).

Could real results have been achieved? Perhaps. And perhaps the fault lies not only with the government but also with the disdain of the Liberals to seriously attempt to communicate with it.

From most speakers, the message was that apartheid was bad, apartheid must be rooted out, washed away, destroyed root and branch, abolished, dismantled, and meet all the other usual fates.

After which, the unspoken assumption was, everything would be fine. What there was not, was any indication as to how or why it would be fine.

We heard about the iniquities of apartheid, but nothing about its defenders' desperate belief that their lives depend on it. We heard about the ills of detention, but heard no reason for today's detainees to cease believing that it is what protects them from becoming tomorrow's detained. Nor did we hear any suggestion as to why they should envisage a future regime being any more tolerant of dissent than the present one, or any more meticulous in identifying offenders.

We heard about the special vulnerability of detained children, but only one speaker even hinted at the not wholly irrelevant factor that childish hands have also proved capable of jamming people's heads into tyres and turning them to charcoal.

If it is understandable that the oppressed resort to violence to oppose their oppression it is equally understandably that the oppressors resort to violence to oppose the new oppression they fear will replace it.

To end the violence it is necessary to end oppression. But to end oppression it is necessary to end the fear of reverse oppression.

This, though, is not an issue here today. The message is a lot simpler and a lot less helpful. The government is bad; it should stop being bad.

After the speeches there is a resolution to send a telegram to the State President. Everyone, or nearly, agrees. A pity there isn't a second resolution, asking how many people have any expectation of this having any effect.

Then we come to the national anthem. Not once, but twice, the lady chairman prepares us for the national anthem. She does not say "Nkosi Sikelel' iAfrika"; not "one of the national anthems"; not even that racist but at least untotitarian term "the black national anthem." No; "the national anthem," just like that. A tidy symbolism here, all right: a fig for you Boere and your Stem, you don't count.

In an aisle seat in the back row there is an anomalous person. A hefty middle-aged white man. He doesn't belong in this place. He doesn't look even a little bit like a Liberal. He looks like an ordinary South African. He has a green suit and a clipped moustache. Special Branch, maybe? Maybe, although he lacks the tell-tale pale shoes. But maybe just a genuinely ordinary South African, troubled in mind and conscience and seeking sustenance.

He stood up for the national anthem. As a hundred or more voices launched into Nkosi Sikelele he stood still for a minute, then quietly slipped out.

The hall sings Nkosi Sikelele. At least, about half the hall sings it. Most of the whites just stand up silently.

It's a beautiful song, and most of the blacks give it a lot of stick. It goes on for a long time, first in Zulu then in Sotho, with an unexpected chorus continually springing forth after what seems to be the end.

Most, but not all, of the blacks sing, and many have clenched fists raised. With the whites, it's reversed. A few sing. A few more mouth along, half a beat behind. Most stand silently. A few have their fists up. Several have their fists half-way up, as if in hope that the blacks will see them as up and the Special Branch will think they happen to be scratching egg off their lapels. Others stand to rigid attention, like a British opera audience during God Save The Queen.

Up on the platform there are a lot of closed mouths. There is something odd about proclaiming as not a national anthem but *the* national anthem a song around which you cannot even wrap a few lines.

As the song ends there is a powerful, stentorian AMANDLA! from a voice at

the back. The crowd turns round and sees a big black man, thirty-odd.

NGAWETHU! yell most of the people.

The big man yells: "Viva African National Congress, Viva!"

"Viva!" replies much of the crowd.

"Viva South African Communist Party, Viva!" shouts the big man.

"Viva!" echoes forth from the crowd.

Quickly but calmly, like a movie version of an efficient Secret Service operation, a small group closes around the leader, and in a trice they are all out of the

door and gone.

The crowd mills out, many people awe-struck by the closing hijack. "Well", they are saying, "what did you think of *that*?"

So it ended. Perhaps some people felt better for having been there; for having shown the flag. But nothing had been achieved; nothing was about to be achieved; and in the end the occasion had become but a symbol of that polarising process which liberalism as it is presently constituted is so wholly unable to affect.

/13104

CSO: 3400/362

## NEGATIVE CONSEQUENCES OF REGIONAL SERVICES COUNCILS SEEN

Johannesburg FINANCIAL MAIL in English 13 Mar 87 pp 30, 32

## [Text]

Getting blacks, coloureds and Indians involved in regional development — hitherto the prerogative of white elected bodies — makes a lot of sense. Doing it through regional services councils (RSCs) doesn't. The new system is scarcely understood; it will be costly and add to bureaucratic control of our lives. And since appointment to an RSC is at the discretion of Pretoria, black boycotts of the councils appear inevitable.

But, like it or not, the first of a network of RSCs will be with us in a matter of weeks — and they'll cost money. Next month businessmen in SA's economic heartland and elsewhere will receive registration forms preparatory to paying turnover and payroll levies to the RSC they fall under. Government will be provided with an enormous new tax base (see box). While government has provided estimates of revenues that could be raised, information on the amounts to be spent by RSCs is virtually non-existent. The downside implication is that if estimated revenues and expenditures don't match, levies will simply have to be adjusted upwards.

The first eight RSCs are scheduled to start operating on July 1. But what are they? And are they necessary? The proposed system is riddled with controversial areas and lack of clarity. RSCs are not replacements for the residual provincial structures; nor do they simply engulf local authorities.

Boundaries and services to be supplied are suggested by lower-tier authorities for government vetting, by a Demarcation Board. Appointments are made from the constitutive receivers of an RSC's benefits — ranging

from city councils to black authorities which have scarcely functioned in some key areas in recent years. And government appoints those who appoint — so, ultimately, the lines of power run into and from the State President's Cabinet.

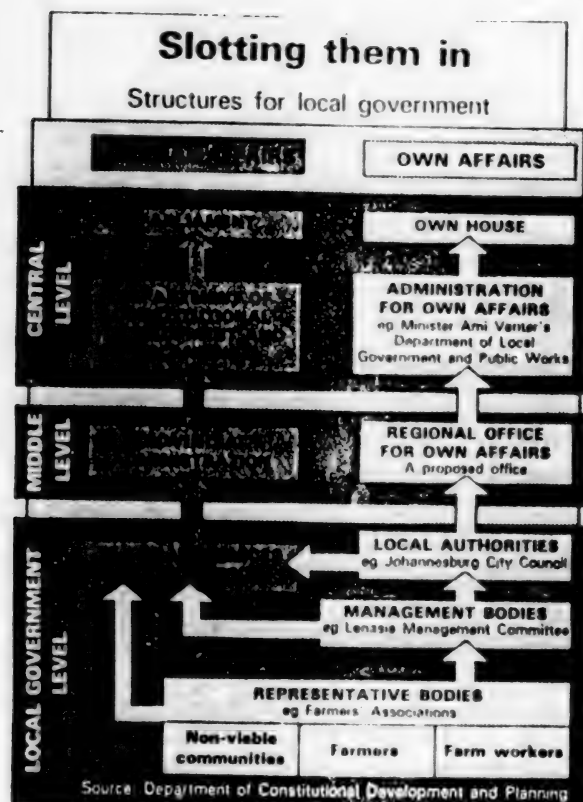
According to the Department of Constitutional Development and Planning, the system rests on three pillars:

- Rationalisation of services at the third tier of government (meaning the sharing of expertise to ensure fewer executive entities and bureaucracies);
- Political participation (of black local government); and
- Mechanisms to collect and distribute levies.

Will things be as neat in practice? It seems unlikely: we will have rising costs and greater bureaucracy. Take the Central Witwatersrand RSC (see map), with Johannesburg as the main agent. Consider what's involved in collecting the levies.

The City Treasurer's department estimates there are 50 000 levy payers in the Central Witwatersrand RSC. New costs are inevitable. Expensive computer equipment is needed; and the City Council has approved the creation of 25 posts to collect and receipt levies. Initial estimated cost of establishing a branch in the City Treasurer's department to process the levies is R703 000; and equipment and accommodation to be rented will cost nearly R20 000 a month.

So the Central Witwatersrand RSC — and how many others? — will be born in debt. No provision exists in the Johannesburg management committee's estimate for this expenditure, but it notes that R353 000 will be recovered from the RSC as payments for inputs to the RSC's service functions.



Local authorities — municipalities — derive income from three main sources: rates and taxes; payment for goods and services provided; and often substantial transfer payments from central government (transport is the most-quoted case). Since the municipalities will not disappear, rates and taxes will presumably continue — and possibly rise. There is no guarantee in any RSC legislation that this will not be the case, despite the fact that RSCs will take over certain municipal services.

Then there is business. Apart from the dubious principle of taxing employment in a period of high unemployment, using the private sector as a collective receiver of revenue (as with GST) is onerous. Assocom's tax committee's Ian MacKenzie points to headaches for bigger companies seeking to work out levy payments. They will have to:

- ☐ Decide which region they fall into for different divisions (such as sales, service, and rentals) when activities cross RSC borders;
- ☐ Set up an accounting system for exactly which levies go to different councils; and
- ☐ Account for inter-group transactions which, if exemptions aren't made, could lead to a cascading tax effect.

The levies are deductible against taxable income — which implies that the company must be making profits. Companies trading at a loss, or in tax-loss situations, must pay the levies.

The new imposts are apparently low — 0,1% of turnover and 0,25% of payroll (the maximum rates). In compensation, certain imposts will fall away — for example, certain trading fees — but an Assocom study shows a net overall increase in private-sector tax burden. So the financial and economic consequences of the introduction of RSC levies in July are at best uncertain. At worst they will stifle growth and destroy jobs.

Economically the two taxes are flawed — some would say fatally. High turnover, low margin businesses will suffer most, while low turnover, high margin businesses will be less affected.

Like GST, the turnover tax is indirect, and at least initially will be inflationary. The payroll tax will probably have an effect similar to income tax — a direct tax cutting further into employers' disposable income. It will en-



courage the substitution of labour with capital equipment — whose cost may be tax-deductible. Payroll taxes may be imposed on different categories of employees at different rates; and the turnover tax may also be imposed on a differentiated basis. Net result: costly confusion.

RSC levies will also distort economic decisions regarding locality since they are likely to be lower in rural areas. Finance Minister Barend du Plessis has admitted that one aim of the RSCs is to assist Pretoria's decentralisation drive.

The first eight RSCs are set to come into operation on July 1: Pretoria, Central-, East-, and West-Witwatersrand in the Transvaal; Cape Town, PE-Uitenhage, and Walvis Bay in the Cape; and Bloemfontein-Botshabelo in the Free State. Natal, where KwaZulu is balking (*Current affairs* March 6), has yet to present RSC boundary proposals to the Demarcation Board.

Eventually, the entire country will be divided into RSCs. It is not possible to say what the final number will be. We do know that Transvaal has proposed another eight — two each in western and northern Transvaal, three in the eastern Transvaal, one for Vereeniging-Vanderbijlpark — in addition to the four already noted:

The Cape's 38 divisional councils have, through their Association of Secretaries of Divisional Councils, proposed that the province be divided into 14 RSCs. And Free State's Director of Local Government, Willem Weilbach, tells the *FM* there will eventually be about 10 in that province. He is hoping that two, Sasolburg and the OFS goldfields area, will be demarcated before July 1.

Weilbach cautiously says the Bloemfontein RSC will kick off with smaller functions, such as fire services and traffic control — "to get it going." In its first few years, he adds, the RSC will *not* be in charge of bulk

water supply, which is still being investigated.

An RSC is not forced to take on all 22 services listed in Schedule 2 of the enabling Act (apart from major services such as lights, water, sewage and transport, this includes museums, libraries, abattoirs, airports, health services, tourism, and establishing and maintaining other infrastructure). An RSC may decide to provide only one (say, civil defence), observes Richard Kruger of the Department of Constitutional Development and Planning.

An RSC may also decide to entrust part or all of a function to an outside body, such as Escom or the Rand Water Board. It can render services itself, via agents, or through the private sector. It seems that, initially, RSCs are likely to make most use of the agency basis.

How services now provided by a municipality will be transferred to an RSC is unclear. If an RSC, for example, assumes all the designated services, the municipality will still reticulate, collect charges, maintain and service. Technical committees are investigating this process.

An RSC, of course, is free to sub-contract work to other bodies, such as consulting engineers. It may pay for such services by charging for them or from its levies. Nobody knows for certain. The "mixture" of income will also vary from RSC to RSC.

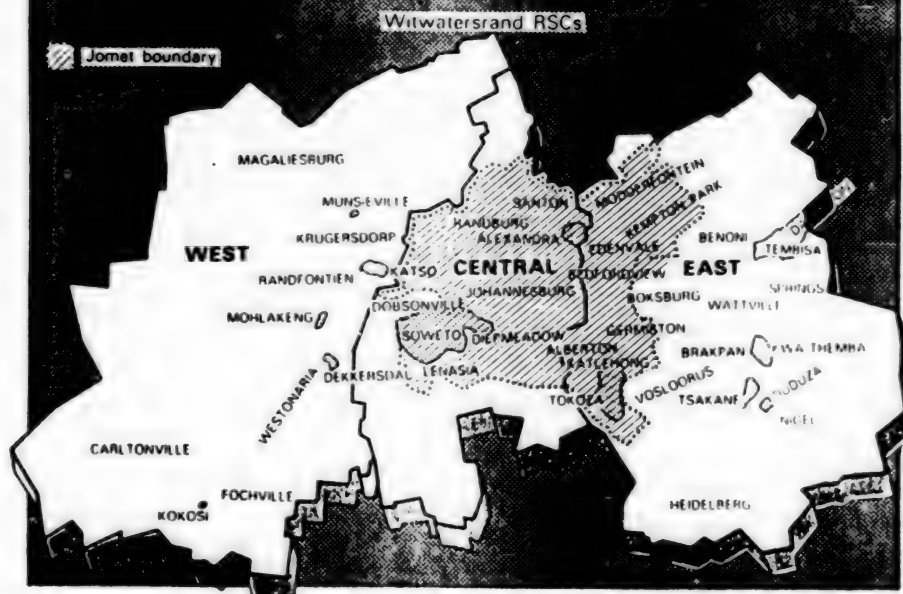
To illustrate how an individual cash-flow will work, consider the supply of bulk water. If an RSC chooses to "take" this over, it will buy from the supplier, and sell to the municipality, which will reticulate the water to residents. They will continue paying the municipality for the water; it, in turn, will pay the RSC, which will then pay the supplier.

The question arises: why this extra paperwork for what has been in place for decades anyway? Unquestionably, RSCs will mean more bureaucracy. The municipality, it should be noted, never completely disappears; certain powers may be taken away by the RSC, but it never loses others — for example, the right to collect dog licence revenues.

The RSC system has the muddled stamp of Minister Chris Heunis all over it. It is based on the constitutional principle of racial "own af-



# Carving the rand



fairs," as in the tricameral parliament; and it reflects Heunis's belief in gradually bringing blacks into government from the bottom up. Politically, RSCs could be grafted onto the fantasy of independent black "city states" (like Soweto). But as Johan-

nesburg CBD Association chairman Nigel Mandy puts it, city states "could never be anything other than integral parts of the multiracial metropolis of the Central Witwatersrand." The same criticism can be made of the artificial ethnic structuring of RSCs. What black local authority can in present circumstances claim to be representative?

Yet RSCs are regarded as a "cornerstone" of a new deal in local government. Local authorities of all population groups, including what are called "non-viable communities" within a defined area — for example, small informal rural settlements like those along the Orange River — will be represented on the councils.

Heunis's ministry says RSCs are "a horizontal extension of local authorities (which) will not replace the provincial system." In fact, provincial administrations, since the

abolition of all-white elected Provincial Councils last year, function as multiracial "general affairs" arms of government. Appointed provincial administrators are the real power behind the RSCs.

It is easy to see that RSCs are politically motivated. There is nothing remarkable about that. The tax system has always been used to execute policy objectives. But not everyone will agree that either the timing or the statutory funding of RSCs are satisfactory. Organised commerce and industry argued as powerfully as it could for a regional GST surcharge, a piggy-back tax. The argument was simple: machinery for collecting GST has been in place for 10 years. And there is the problem of ministerial discretion: Finance Minister Du Plessis, for example, may increase the rates of levies, at an RSC's request, simply by publication in the *Government Gazette*.

According to guidelines in the Act, one matter the Administrator must consider, before farming out a function or service, is cost-effectiveness and efficiency. So if Escom is doing a good job, for instance, why transfer the service? "The community, in consultation with the Administrator, will decide which services should be regional services," Kruger notes. Yet "the community" will have no opportunity to vote for the RSC of its choice — that isn't the way the system works.

The salient point about RSCs, as Weilbach points out, is that they will be financed with new income (courtesy of business) which can be more equitably spread. He describes the system as "very good for the simple reason that the levies will enable additional services and facilities not attended to in the past to be tackled." It will be the responsibility of each council to determine its priorities for development.

Neglected — which is to say black — areas look like being assured of more money and resources than hitherto. In spite of the apportionment of voting strength, the poorer black representatives on an RSC can appeal against certain proposals. More importantly, the proviso attached to Section 12 states that, in appropriating funds, RSCs must give preference to establishing and improving infrastructure in areas of greatest need. So the Soweto representative on the Central Witwatersrand RSC, for example, can in theory at least ensure that the council knows what his community's needs are. "Black towns will benefit most," Kruger maintains.

As a government official points out, taking over services is not the prime aim of RSCs. The main aim is the redistribution of wealth.

"Initially," continues the spokesman, "the RSC would not have money available either to take over services or to reduce rates and taxes." In other words, as the RSC levies take bite, do not expect municipalities to reduce their imposts. And so: "The RSC must use its funds where the greatest needs exist." That concept, perhaps the heart of the RSC, is open to endless debate, and, no doubt, manipulation.

The danger is that, even if the two levies are kept low — and they will be politically visible — goods and services used by residents can be charged out at a substantial mark-up. There is little in the RSC legislation to regulate the charges attached to water, electricity, transport, and so on. Indeed, loading prices in one area of an RSC will enable it to spend more generously elsewhere — the RSC is authorised to apply *differentiated* charges in its area. RSC budgets must however be approved by Du Plessis.

Against that, Assocom's Ken Warren argues that there "is no direct voter control."

"Furthermore," he adds, "there is no direct private-sector representation on the RSC — notwithstanding the potential observer status for bodies such as chambers of commerce and the like. In the worst case, this could defeat the stated objective of achieving greater cost-effectiveness."

There are yet further dangers. Each RSC will be a monopoly. The Act provides that when an RSC provides a service, you are obliged to buy that service from it to the exclusion of all other (potentially cheaper) suppliers. A municipality may apply for exemption from this rule — but this is hardly the stuff of competition.

Their ultimate cost is unknown. The manner in which RSCs are to be financed is full of holes. Black communities are likely to reject them out of hand as apartheid-based. And what impact the impending release of the Margo Commission will have on the whole mess is unclear. We are shambling willy-nilly into area strewn with pitfalls. The results could be little short of catastrophic. ■

/13104  
CSO: 3400/362

## PATTERN, IMPACT OF MIGRANT LABOR VIEWED; NEED FOR CHANGE NOTED

Johannesburg FINANCIAL MAIL in English 13 Mar 87 pp 33, 34, 35

[Text] Two dates stand out as turning points in South African economic history: 1867, when diamonds were discovered at Kimberley; and 1886, when prospectors struck gold on the Witwatersrand.

Besides being the catalysts for our economic, industrial and agricultural development, these events led to fundamental changes in the fabric of social life. Ever hungry to expand, the mines in those days found it easier to obtain capital for development than to attract blacks for labour.

An adequate supply of labour was achieved by several means. In SA the government created special reserves for blacks and forced them to move. Overcrowding and poverty soon meant that those who were able had to seek work in the white areas. In the surrounding states, the colonial authorities introduced several different kinds of taxes. SA was the one of the few places where foreign blacks could earn money to pay the imposts. Thus started the system of migrant labour.

Today migrant labour — from both within SA and outside its borders — is still very much a fact of life. On June 30 last year, according to the latest statistics available from the Department of Home Affairs, there were some 378 000 foreign migrants from southern African states working in SA (see table). The major supplier of labour is Lesotho, followed by Mozambique, Malawi, Botswana, Swaziland, Zimbabwe, Zambia and Angola. SA has labour agreements with all these states barring the last three which do not permit active recruitment of their citizens.

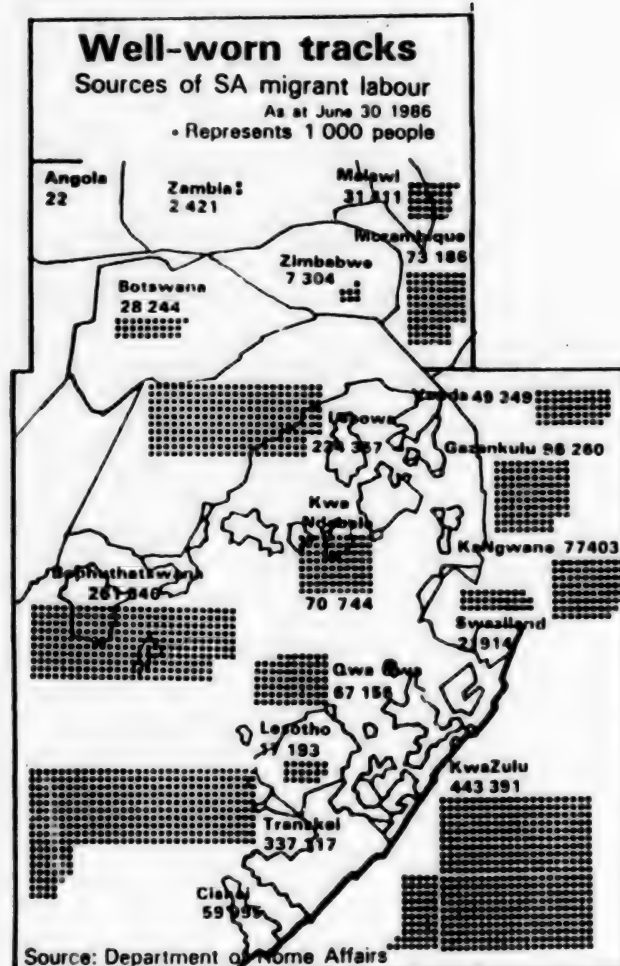
There were, in addition, some 707 800 migrants from the independent homelands of Transkei, Bophuthatswana, Venda and Ciskei (the TBCV states), and about 989 000 from the six non-independent homelands.

The pattern of foreign migrant labour over the years reveals several trends. First, and most importantly, the overall number of migrants has declined significantly. In 1960, for example, there were 586 400 foreign migrants working in SA. By 1985, the total had dropped to 297 000. The sexual composition of the foreign migrant labour force has also changed. In 1960 women constituted 17,5% of the total number of migrants. In 1985, this figure had dropped to 2,1%. Employment by sector has also undergone changes. The mining industry employed 58% of all foreign migrants in 1964. In 1985 this figure had risen to 79% (see table).

The sources of foreign migrant labour have also shifted considerably. In 1974, with 137 676 of its nationals working on contract in SA, Malawi stood second only to Mozambique as the major supplier of labour. By the following year the number of Malawians had plummeted to 39 308. This can be about as a result of Kamuzu Banda's government putting the brakes on recruiting — ostensibly because of a South African plane crash, in which 74 Malawian migrant workers were killed. Cuts in the numbers recruited from Mozambique and Zimbabwe had a lot to do with the coming of *uhuru* in those countries.

Migrant labour is, of course, not unique to SA. *Gastarbeider* are found in many foreign countries. But as Natal University economist Alan Whiteside told a conference on "The Southern African Economy After Apartheid" at York University last year: "What is unique about migration to SA is that it has such a long history, has become so institutionalised and controlled and has taken place on such a large scale. The present system has been created by a combination of the apartheid policies and the pattern of capitalist development."

Whiteside also told the York conference



that the future of the migrant labour system "will reflect the changes that must occur to both capitalism and apartheid." Very true. For although the system is bound to continue, there are clear signs that, in certain respects, changes are under way.

Of primary importance, naturally, is government's attitude. In the past this was brutally frank, as a government circular issued in 1967 vividly illustrates: "It is government policy that Bantu are only temporarily resident in European areas for as long as they offer their labour there. As soon as they become, for some reason or other, no longer fit for work, or superfluous in the labour market, they are expected to return to their country of origin."

The abolition of influx control on July 1 last year brought about some significant reforms. The key one is that black South Africans, barring those designated as TBVC citizens, are now able to move around at will to seek work. Although it is impossible at this stage to quantify the impact of this concession, it clearly has given a great many people more freedom.

The position of TBVC citizens is less rosy. They are classified as aliens, and for employment purposes are subject to much the same controls as those governing foreign migrants. In terms of labour agreements the TBVC governments struck with SA at the time they became independent, this means:

- Employers have to obtain permission from the Home Affairs department to recruit aliens (the main factor being whether there are South Africans available for the job);
- The TBVC governments must give employers permission to recruit in their area; and
- Workers who are recruited must be in possession of a valid passport or travel document and a contract of employment attested to in the TBVC state.

A preposterous situation for people who, after all, are South Africans.

Then there are the foreign migrants. It is well known that the income these work-

ers generate in SA contributes significantly to the GNP of their countries. Put plainly, economic factors outweigh many of our neighbours' repugnance for apartheid.

Government has not been slow to exploit this factor for its own ends — especially in these days when security considerations override all others. However, in some cases its actions have been taken without due regard for the interests of employers.

In October last year it decided to halt new recruitment of labour from Mozambique; those already in employment would not be allowed back on completion of their contracts. This was a response to a landmine explosion near the Mozambique border in which six South African soldiers were injured.

Government's action, Manpower Minister Pietie du Plessis explained at the time, had to be seen against the fact that the African National Congress and the South African Communist Party used Mozambique as a base from which to operate against the Republic. No country in the world, Du Plessis said, could allow virtually free access to its labour market, and, on the other hand, permit its security to be undermined by a country which benefited from job opportunities in SA.

The move wrecked talks that were taking place between SA and Mozambique, flowing from the Nkomati Accord, to amend their existing labour agreement which had been negotiated with the Portuguese colonial administration in 1966.

The declaration also shocked the mining industry, for Mozambicans are among its most skilled black workers. Just how much they are needed was reflected in government's subsequent about-face on the issue. In January it was reported that concessions had been made for certain categories of Mozambicans to continue working on the mines. New recruitment, however, remains a no-no.

Also affected by government's October declaration was the agricultural sector in the eastern Transvaal, which employs large numbers of Mozambicans. After representations from worried farmers, a reprieve was announced. Mozambicans were given until November 30 last year to apply for temporary work permits. According to Home Affairs, 12 871 permits were issued, valid until

November 30 this year. The farmers must then employ other workers.

Notwithstanding these experiences, it is clear that for government the leverage it has over SA's neighbours as a consequence of the migrant labour system will remain a key factor in regional politics.

With unemployment in SA rising, the other important leg of government strategy on foreign migrants is to root out those who are working in SA illegally. Here we get into a real numbers game. Government estimates that there are 1.3m illegals. Whiteside reckons that at most there is half that.

Whatever the true figure, government is serious about its campaign. Last year, according to Home Affairs officials, 32 216 foreign illegals were deported to their countries of origin. Of these the vast majority — 19 801 — were Mozambicans. In 1985 Mozambicans constituted 17 532 of the 28 479 illegals who were deported. Many of those government calls illegals are refugees from Mozambique — not workers — who are picked up in the Kruger National Park. Presumably many also cross back into SA at the first opportunity.

The campaign against illegal aliens is, however, becoming more organised. On September 30 last year Home Affairs circulated a letter to 190 000 employers pointing out that it is an offence to employ illegal aliens. The letter describes in detail how employers can determine whether their workers are legally employed and asks them to advise the department about how many foreigners they employ.

Home Affairs plans to train 400 inspectors who will visit places of employment to check up on illegals. Appropriately, most of these people were formerly employed to administer the influx control regulations. Home Affairs officials, however, are adamant that illegals will not be picked up by the scruff of their necks and thrown out.

"Employers will be given the opportunity to apply for a work permit for these people. If they fit our criteria, they will be allowed to stay in SA," a senior official told the *FM*. He would not, however, say what the criteria are. But even if Home Affairs is unable to find the illegals, there is always the possibility that the police will pick them up.

So much for government. What of the mining industry? As the major employer of foreign labour it shoulders much of the criticism levelled against the migrant labour system.

Nowhere has this been expressed more forcefully than in a resolution adopted two weeks ago at the congress of the National Union of Mineworkers (NUM).



Condemning the migrant labour system as a "gross violation of human rights" which has destroyed the family life of black workers, NUM is demanding that employers should make a clear statement of intent to dismantle the migrant labour system and the single-sex compounds for black miners within a "reasonable specified time." If employers fail to meet its demands by March 30, the union intends to declare a dispute as the first step towards a national strike.

At the time of writing the demands had not been formally served on the Chamber of Mines, and its industrial relations adviser, Johann Liebenberg, declined to respond to them saying it is not practice to negotiate in the media.

But Peter Gush, chairman of Anglo American's gold and uranium division, made some points in a statement he released last week. Gush said Anglo has become increasingly concerned about the detrimental effects of the migrant labour system and the system of hostel accommodation.

Anglo's ultimate objective, he said, is to give its employees, should they so choose, the opportunity of owning their own homes and living with their families in a normal society.

Naas Steenkamp, director human resources and public affairs at Gencor, responded this way: "Gencor is opposed to a system that makes it impossible for men to live with their families and is committed to providing family housing as extensively as possible. We would certainly want to involve the NUM in developing our approach. The

NUM is clearly on record that this is a major grievance and grievances are best resolved through negotiation. We might not find it easy to agree in all respects, but that does not mean one should not talk."

Says Gencor's director of human resources (mining), Adriaan du Plessis: "Gencor is considering a new housing philosophy for employees. The intention is to house workers with their families as much as possible and less as persons living in single quarters."

But he stresses that hostels on the mines will not disappear completely: "A certain percentage of the workforce will be single, and initially some workers will be hesitant about moving their families into black townships." Gencor has had an ongoing programme of upgrading its hostels and is at present making alterations to decrease room densities. "The objective is to improve the quality of single quarters," says Du Plessis.

Spokesmen for Rand Mines and Gold Fields also expressed support for the idea of more family accommodation.

Clearly, the mining houses are open to the suggestion of housing their employees on a family basis. But many issues will have to be resolved first. Some of these relate to costs. Schemes will have to be developed to put home ownership in the reach of mineworkers. How these will work remains to be seen.

Other factors are in the court of government: questions like making land available, proclaiming townships, and the Group Areas Act.

Quite patently, this calls for more, and more determined, reform. ■

/13104

CSO: 3400/362



## SOUTH AFRICA

### BRIEFS

**EMIGRATION RATE**--Ten thousand people settled in South Africa last year compared with the 17,000 in 1985. Last year more than 13,700 people emigrated compared with about 11,400 in 1985. This means there was a loss of about 6,700 people last year compared with the gain of about 5,900 the previous year. There was little change in the number of tourists. Last year more than 1,124,000 visited the country with the figures of the previous year slightly higher at almost 1,217,000. [Text] [Johannesburg Domestic Service in English 0900 GMT 20 Mar 87 MB] /12624

CSO: 3400/288

AHI PRESIDENT OUTLINES PLAN FOR ECONOMIC GROWTH

MB201128 Johannesburg SAPA in English 1050 GMT 20 Mar 87

[Embargoed until 1800 GMT 20 March]

[Text] Johannesburg, 20 Mar (SAPA)--"If South Africa did not do something now to ensure sustained economic growth, the country was destined for economic and social problems with incalculable consequences, said the president of Afrikaanse Handelsinstituut, [Afrikaans Trade Institute, AHI] Mr Christie Kuun in Cape Town today.

Addressing the Cape Town Afrikaanse Sakekamer, [Afrikaans Chamber of Commerce] Mr Kuun, who is also senior general manager of Saambou national building society, proposed a nine-point plan to ensure economic growth into the 1990's.

He stressed that implementation of the principles contained in the nine-point plan was of "the utmost importance".

It would also not help over the longer term to expect the government to activate growth -- the necessary action would have to come from the private sector itself.

The nine-point plan proposed by Mr Kuun consisted of the following principles:

1. Financial discipline and the maintenance of sound monetary and fiscal policies.
2. A general remuneration policy which bore closer relation to actual production.
3. An increase in domestic saving from which to finance sound investment and maintain a surplus on the current account of the balance of payments. In this connection, Mr Kuun said, further thought would have to be given to the merits of import control and a new "buy South African" campaign.
4. More purposeful utilization of South Africa's capital assets, since the ratio between yield and capital had declined by 25 percent over the past 15 years.

5. Greater fixed investment to awaken economic renewal and growth.
6. Better utilization of production factors such as capital, raw materials and energy inputs.
7. More research and development, because the amounts which the country was spending on them as a percentage of its gross domestic product compared poorly with those of other countries.
8. The continued preservation of the countrys balance of payments. It was of vital importance, Mr Kuun said, that the current account should continue to show a surplus and consequently that those aspects over which control could be exercised should receive earnest attention. This meant that exporters should enter the international markets strongly while domestic spending was kept in check so that imports did not increase too sharply.
9. The promotion of effective competition, because this was the only way to advance economic efficiency.

Mr Kuun said that apart from maintaining law, order and political stability, it was and remained necessary that basic economic affairs be managed correctly and well. If these principles were persevered with, the country's economic projects would without doubt improve.

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CSO: 3400/287

STANDARD BANK HEAD: GOVERNMENT TO BLAME FOR INFLATION

Johannesburg BUSINESS DAY in English 27 Feb 87 p 2

[Article by Helena Patten]

[Text] Port Elizabeth—SA was moving into the company of hyper-inflation-riddled Latin America and Africa, Conrad Strauss, MD of Standard Bank, said yesterday.

He told an economic seminar of the Midland Chamber of Industries in Port Elizabeth that inflation was peculiarly threatening in SA. Social cohesion was dubious and solutions to the problems of population growth and a more equitable distribution of income had been made difficult by sanctions, disinvestment and lack of confidence in the rand.

He said governments allowed inflation to occur because it disguised their own efforts to get more of the national output. "By facilitating inflation, governments automatically increase tax revenue while, at the same time, reducing their future real debt burden.

"Government is the largest debtor in the economy and thus benefits most from the erosion of the real value of its debt. Companies, as net debtors, also benefit from erosion of debt, but the impact on government debt is particularly important because institutions are forced, through the imposition of prescribed asset requirements, to invest in government paper whose real value will be considerably lower when repaid.

"This amounts to legal expropriation of wealth in favour of government and away from individuals."

He said the currently advocated prices-and-incomes policy would be politically disastrous, quite apart from economic considerations. Such a policy would probably be construed by the black labour force as yet another attempt to maintain white economic privilege and power.

The currently falling inflation rate was merely technical and future demands would encourage renewed inflationary pressure.

Monetary policy should allow for a disciplined rise in aggregate demand, while fiscal policy should be directed at ending existing wasteful and unproductive expenditure, he said.

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CSO: 3400/280

# PLIGHT OF UNEMPLOYED CAPE TOWN POPULATION HIGHLIGHTED

Cape Town THE ARGUS in English 2 Mar 87 p 11

[Article by Rehana Rossouw]

[Text]

**C**APE TOWN — the sunshine city to which thousands of tourists flock to sample the delights of its beaches and the majesty of its mountains.

But beneath the beautiful facade of South Africa's showpiece lies misery and hardship for the thousands living below the breadline because of unemployment.

This is the side of Cape Town tourists never see.

Where hungry children cry themselves to sleep and desperate parents walk the streets hoping to earn enough to last another day.

You need not venture into the townships to find such misery.

The problem is far more widespread. More than 60 000 Capetonians are officially unemployed. This is a conservative figure — the number of people involved is considerably higher, possibly even double.

The Argus has had a wave of letters from desperate readers whose lives have been shattered by unemployment.

One of the saddest and most consistent problems is that of people over 40 who are turned down by employers in preference to younger recruits.

This letter from a Sea Point woman says it all: "I am a proud but humble job-seeker.

"How does a middle-aged ("over the hill"), well-qualified respectable lady say 'please will you seriously consider me for your vacancy ... you see, my savings are depleted and I have been declared destitute.

"How can a prospective employer choosing between the selected shortlisted few, be aware of the plight of the person with a smiling face, sitting opposite him — hoping and praying.

"How do you get it across to him? You try to look your best, smile and make a joke, but underneath you're desperate, really hurting. There is no way you can beg him to give you a job.

"Sometimes you're up against a bored secretary who wants to change employers. You want to shout 'give me the job, I need it more than her'.

"I've been reduced to going to the Department of Welfare for a grant. But that doesn't help when the bills come in.

"Once you're classed as destitute, your friends treat you like a leper. People seem to think that you do not have the drive or ambition to secure employment."

Other readers, unemployed for months, wrote of being desperate enough to resort to crime, frustrated by walking the streets and still going home without jobs.

But young workseekers are often just as unsuccessful.

Vanessa Bartlett, 19, a matriculant from Manenberg, has been job-hunting for more than a year. She wrote begging The Argus to help her find "an honest and good job".

"I matriculated in 1985 and completed a secretarial course at the Cape Town School of Commerce. Since then I have been looking for a job.

"Every morning my mother wakes me at 8am and I rush down to the post office to phone for jobs advertised in the newspapers.

"All the companies I phone tell me they are looking for people with experience. They add they want older women.

"I've been to the Department of Manpower, I've sent application forms to hundreds of companies and I've been to all the employment agencies, but I still haven't found a job.

"Once a week my mother gives me trainfare to town where I go from company to company looking for a job. The thought of shoplifting and other means of making mon-

ey has crossed my mind — I'm that desperate.

A "despondent parent" from Kenilworth wrote of the anguish of her 23-year-old son who has not found a job since he completed his military service in December last year.

"He came out of the army full of enthusiasm, pride and excitement. This has now turned to despair, unhappiness and loss of faith in his country.

"He applied for 10 jobs, was turned down at eight and refused two prospective interviews. The firms all wanted experienced people although my son has a business diploma.

"He is now thinking of emigrating and I must ask: "Can South Africa afford to lose young people of this calibre?"

"Something has to be wrong with a country when young people cannot find employment when the economy is supposed to be on the incline. What is the future of young people in South Africa?"

Area manager for a large personnel agency in Cape Town Miss Anne O'Healy said jobs for unskilled, inexperienced workers were still scarce, although prospects

had brightened for top employees.

"We find our clients are prejudiced against older people, even though they have more experience and are generally more responsible.

"There are more vacancies this year than there were last year, but our clients are still looking for experienced people.

"We've managed to place a few matriculants, but only the top students."

Many job-seekers have given up hope.

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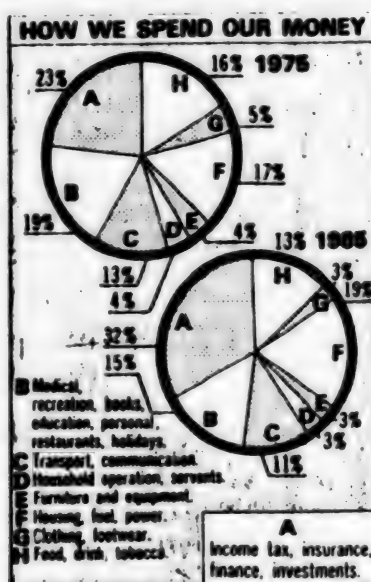
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## HOW WHITE HOUSEHOLDS SPEND INCOME

Johannesburg BUSINESS DAY in English 4 Mar 87 p 3

[Text]



White households spend nearly 10% more of their income on tax and insurance than they did 10 years ago. Government figures show that 32% of income in 1985 was spent on income tax, insurance and other financial needs, compared to 23% in 1975. To pay for this, the main casualties have been food and drink, medical care, entertainment, education and holidays. In 1975, spending on food, drink and tobacco accounted for 16% of income in the average white household. Ten years later, this had fallen to 3%. Medical services, books and leisure activities, which ate up 19% in 1975, fell to 15%.

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MD SEES POSITIVE SIDE OF DISINVESTMENT

Johannesburg BUSINESS DAY in English 4 Mar 87 p 2

[Article by Helena Patten]

[Text] DISINVESTMENT of multinationals from SA had created a new breed of entrepreneurs, Information Trust Corporation (previously Dun & Bradstreet) MD Paul Edwards said.

"Managements of affected companies have, in most instances, leapt at the opportunity to purchase productive assets at a fair value," he said in Johannesburg yesterday at the official launch of the new company.

SA ownership of foreign subsidiaries would result in foreign-currency savings because dividends and management fees would not be repatriated.

Many deals had also been structured to allow employees to participate in ownership.

Edwards said: "Our employees will receive 25% of the company, based on their length of service and their level of grading.

"This has already had a positive impact on motivation and productivity, and will, in turn, create new wealth

among employees who might never have had such an opportunity."

On the SA economy, Edwards said: "The present upturn might just run out of steam unless government is prepared to act quickly and imaginatively.

"Bold action is required by government to rectify the imbalance between corporate and individual tax contributions.

"Bracket creep has ensured that contribution by personal income taxes, perks taxes and GST has increased from 24% in 1980 to more than 50% of the total contribution to State revenue."

Government's expansionary fiscal policies, excessive pay hikes for civil servants and lack of control on spending in 1983 and 1984 had led to government applying the brakes too firmly in August 1984. Government now had to get the economy moving again without pushing inflation through the roof.

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CSO: 3400/309

## TAIWAN EXPERTS TRAIN BLACK FARMERS IN TRIAL RICE PRODUCTION

Johannesburg FINANCIAL MAIL in English 20 Mar 87 pp 88, 89

**[Text]** Rice paddies in the Lowveld? It may sound improbable, but the idea is catching on fast in the hot Tonga area of KaNgwane — north of Swaziland. And so far yields are better than in Taiwan.

With the retail value of the growing local market now some R250m a year, there is huge potential for local producers — provided they can match the price and quality of current major suppliers, the US and Thailand, who are dumping cheaper rice on the local market.

At Tonga, black farmers are being trained by Taiwanese experts to produce rice on 1 ha plots, soon to be increased to 3 ha. Each plot yields an average R4 410 net to the black owner-operator and the July harvest could add a further R2 000. This will inject a substantial amount of ready cash into the local economy.

The Tonga project is part of the Department of Development Aid's (DDA) policy to establish commercial black farmers in rural areas. Some 177 000 black families in all six self-governing territories are now involved in farming projects, while 1 700 farmers are operating commercially on about 36 000 ha.

Says DDA liaison officer Betsie Smith: "These self-help schemes are unique in the southern African context. The establishment of commercial, market-orientated farmers is a complicated and protracted process of selection and intensive training in technology and marketing skills. But we have seen spectacular successes."

Kellogg's SA has bought the full 100 t Tonga rice crop plus a similar sized crop from the Makatini area, where a 10 ha experimental project is also under way. Kellogg MD John Johnson says his group currently imports about 4 000 t of rice from the US for the manufacture of its Rice Crispies.

The multinational breakfast cereal group is the market leader in the US.

"Quality is comparable with the best from overseas. And local purchases will save valuable foreign exchange, while also reducing the risk of dealing in fluctuating currencies," says Kellogg's purchasing manager Alex van der Linde.

The success of the twin trial projects — jointly launched by the DDA, KaNgwane and KwaZulu agriculture departments and managed by agronomists from Taiwan — has surprised experts on both side of the Indian Ocean.

"I am still puzzled how these plots can yield 10 t/ha, which is some 3 t/ha better than average yields in Taiwan," says Dah-Jiang Liu, visiting senior agronomist of the Taiwanese Department of Agronomy's Agricultural Research Institute at Taichung.

But to Ming-Ho Chang, the agronomist in charge of the Tonga project, there is no mystery.

"It is a combination of favourable factors. The very hot climate induces growth even at night, the excellent loamy soil is perfect for rice production, while the nutrient-rich waters of the Komati River induces maximum growth," Chang tells the *FM*.

Adding to the success of the project, ratoon crops now growing from the cropped rice plants are expected to yield a further 3 t-4 t/ha by July this year.

"We intend expanding the project to about 400 ha as soon as possible. Some 150 ha should come into production by early 1988, yielding about 1 500 t of rice on current projections. This will be sold on the local market," says DDA assistant director Aussie Snyman.

Paddy farming requires lots of water and, apart from switching from traditional square

Chinese paddies to contour production, optimum water management is also being researched. Two major dams are being planned in conjunction with Swaziland authorities and these could vastly increase the scope of current production.

Meanwhile, the local 170 000 t a year consumer rice market is steadily growing, with black consumers already representing 67% of total consumption. Major rice importer S Wainstein & Co's brand leader, Tastic, is the largest individual rice brand in the world and also brand leader in SA.

"Last year the market grew 6% against 7% and 14% in the two preceding years. The black market has huge potential," says Wainstein manager Andre Naude. ■

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CSO: 3400/363

## FREEGOLD ABLE TO PRODUCE GOLD WELL INTO NEXT CENTURY

Johannesburg BUSINESS DAY in English 4 Mar 87 p 4

[Article by Peter Stacey]

[Text] **CURRENT** developments at Freegold will enable the Welkom megamining to produce gold well into the third decade of next century.

Fundamental restructuring after 1986's merger has not only kept viable some otherwise marginal shaft systems but, in some cases, allowed development of areas that faced shelving or delay.

MD Lionel Hewitt says the total milling rate at Freegold could be increased to 24-million tons a year, from 22-million tons at present. This could be achieved within existing plant capacity, and no expansion beyond this level is envisaged.

Whether sustained production at this level would have been possible for the individual, pre-merger mines is debatable, and a number of shaft systems might have been unviable.

An extensive re-allocation of plant capacity has taken place. The merger has allowed tremendous flexibility, which is another key to continued maximum usage of plant.

While the metallurgical treatment of one mine's output by another might seem to offer an alternative, it is a cumbersome process.

Freegold can "cascade" production extensively between shafts with, for example, total tonnage from Erifdeel — which comes on stream later this year — being processed at Free State Saalplaas.

With further juggling of capacity, overflow from Saalplaas goes to an extended President Steyn plant, and some ore from President Steyn can be processed next door at President Brand.

Interlinking of resources is a major source of savings, Hewitt says.

While Anglo American has stressed the production benefits flowing from rationalising operations at all levels, tax benefits might have been uppermost in many analysts' minds at the time of the merger.

Pre-merger "tax shields" for some of the mines were inadequate for optimal exploitation of some projects.

The overall umbrella has changed this, and a number of new developments (which, in fact, replace areas coming to the end of their productive lives) can be given the go-ahead.

Hewitt points out that optimal use of resources, including maximisation of tax benefit, is, ultimately, not depriving the taxman of revenue. "He is, after all, our biggest shareholder," he adds.

Perhaps just as important as economies of scale to the new mining giant is the question of risk. To a single mine a major flood or, more topically, extensive and prolonged labour unrest, can affect performance critically or even put a mine out of business.

The size of Freegold, some of whose mines have seen their share of labour problems this year, spreads these risks.

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CSO: 3400/309

## LARGE AREAS OF UNMINED EVANDER GOLD FIELD TO BE EXPLOITED

Johannesburg THE SUNDAY STAR (Finance) in English 8 Mar 87 p 6

[Article by John Spira]

[Text]

A VERY large part of the unmined areas of the Evander gold field will be exploited over the next 63 or more years.

This is the conclusion of a leading Johannesburg stockbroking firm, Menell, Jack Hyman, Rosenberg & Co, which, in an in-depth study of the fields, has mapped out Evander's potentially exploitable areas.

The conclusion drawn by the firm places a new perspective on South Africa's likely future share of world gold output — a share which has been steadily declining in recent years.

It also suggests that South Africa's gold-mining industry — and in particular the Evander field — has a life a good deal longer than many mining analysts are currently projecting.

Focusing on the individual prospects in the area, the firm points out that in addition to the four existing mines (Winkelhaak, Bracken,

Leslie and Kinross), a fifth area, the Poplar venture, is now in the final stages of planning and financial feasibility studies, with completion only delayed through the present lack of an available tax shadow.

The drilling and evaluation of the prospect are being conducted by Kinross and financed partly by long-term loans and partly by tax savings.

Bracken, and possibly Leslie, the firm maintains, have short life prospects, the former never having been a high-tonnage mine because severe faulting losses had eliminated the reef over about 50 percent of the property.

Further, Bracken's reef areas are bounded by the southern sub-outcrop and worked-out areas of the adjoining mining companies.

"Leslie is open-ended to the north and west of its lease and has recently extended its prospecting areas in this direction.

"But values on the pe-

riphery of the original mining areas are indeed low, so that the longevity of its productive life is very much dependent on the maintenance of a high gold price relative to cost levels."

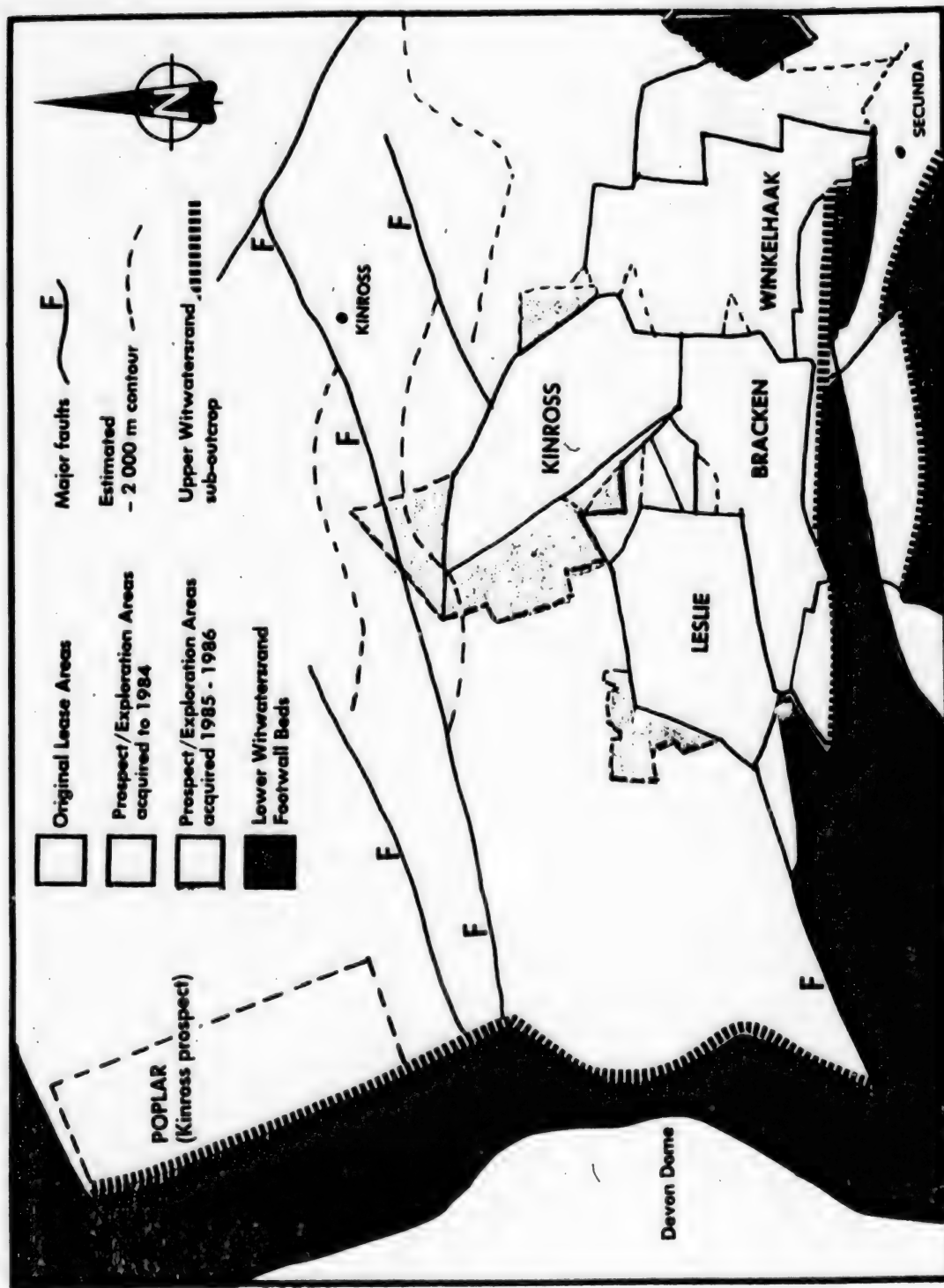
Kinross and Winkelhaak, however, have an entirely different outlook, being open-ended to wide areas where the reef horizon is estimated to lie above a depth of 2 000 m.

"Although little is publicly known about any payshoots or values in the underdeveloped areas, the majority of mineral rights in these areas are controlled by the Gencor group.

"It is both significant and encouraging that the group is still extending its prospecting work towards Kinross's Poplar area."

The firm concludes: "While Bracken and Leslie are excluded from any long-term investment recommendations, Kinross and Winkelhaak currently occupy reasonably prime positions among our preferred gold holdings."





WHERE IT'S GOING TO HAPPEN ... the Evander gold field in Eastern Transvaal.

## BRIEFS

TRADE WITH DENMARK DIMINISHES--Denmark's reciprocal trade with South Africa fell drastically in 1986, according to figures issued by the Danish government's Office of Statistics. Imports to Denmark from South Africa have been reduced by almost half, from around 1 billion 685 million kroner to around 829 million kroner last year. At the same time, exports from Denmark to South Africa fell from around 613 million kroner in 1985, to around 423 million kroner in 1986. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 20 Mar 87 p 4] /9317

GOVERNMENT APPROVES COFFEE PLANTING--Government has approved the planting of an additional 5 400 ha of coffee, with an expected yield of 5 000 tons after an Industrial Development Corporation inquiry into the production and marketing of the crop. An SA Agricultural Union spokesman said a primary objective would be the creation of jobs and the provision of opportunities for black farmers. Homelands will be allocated a total of 5 000 ha and white areas 400 ha. [Text] [Johannesburg BUSINESS DAY in English 5 Mar 87 p 2] /9317

FOREIGN INVESTORS BUY FARMS--Cape Town--Several Hundred million rand are believed to have poured into SA as more foreign investors take advantage of the still relatively weak financial rand to buy property, listed securities and businesses. In the Western Cape, historic farms are the big attraction and several near Paarl and Stellenbosch have been sold to foreign investors for R1m and more. [Text] [Johannesburg BUSINESS DAY in English 27 Feb 87 p 2] /9317

VENTRON IN U.S. SHARES PURCHASE--SA Electronics giant Ventron Corp has bought a significant minority interest in a listed US electronics company. In a filing with the Securities and Exchange Commission (SEC), Ventron--holding company of Altron, Altech, Powertech and Fintec--agreed not to take up more than 40% of the US firm's shares at this stage. But it kept open its option to seek control by obtaining most of the voting securities or seats on the board of directors. Ventron chairman Bill Venter would disclose neither the investment involved nor the number of shares bought. He said the move was expansionary in line with Ventron's aim to increase its offshore contribution to revenue to 20%. The investment was not made to secure US supplies as the US firm was in an entirely different field of electronics, he said. Ventron, now worth R1,46bn, is to have two

representatives on the seven-member board of directors of the US company. Venter asked Business Day to withhold the name of the US firm. "It is the intention that the company in which Ventron has invested will continue to grow through acquisitions but we can influence them only to the extent of our board representation," said Venter. "We have over the past three years been involved in an acquisition search and in developing export markets," he added. [Text] [Johannesburg BUSINESS DAY in English 27 Feb 87 p 3] /9317

NETHERLAND BANK SEVERING INVESTMENT TIES--A Dutch bank has decided to cut links with South Africa for fear of political violence. Investment bank (Pearson Holding and Pearson) is the third major Dutch firm to pull out of South Africa in 2 months. In January, HSV stopped its local operations after it became the target of political activists in the Netherlands. Arsonists cause considerable damage at HSV stores around the country. A few days after the HSV pullout, floor Covering Company [name indistinct] cut its business ties to guarantee the safety of its employees. [Text] [Umtata Capital Radio in English 1000 GMT 20 Mar 87 MB] /12624

RSA MANUFACTURING PRODUCTION--The South African manufacturing industry is still having to contend with general problems plaguing the rest of the economy. Production is poor, costs have increased sharply, and profits are under pressure. These facts have been highlighted in Volkskas' latest monthly economic review. The review notes that there was small increase of 0.4 percent in industrial production in 1986, although isolated subsections such as the paper, glass, steel, and leather industries show increases of 14 and 1/2 percent. Sectors hard-pressed are the motor, motor spares, metal, and printing industries. Declines of more than 24 percent occurred in these sectors. [Text] [Johannesburg] Domestic Service in English 0900 GMT 19 Mar 87 MB] /12624

XEROX AFFILIATE TO SELL SUBSIDIARY--American firm Xerox Corporation is joining dozens of other United States companies selling South African holdings and leaving the country to protest apartheid policies. Xerox Corporation's London affiliate, Rank Xerox Ltd, says it will sell its South African subsidiary to a South African electrical and electronics company for an undisclosed sum. Xerox says its South African unit provided less than 1 percent of its nearly \$9 billion of annual sales. So far this year, 9 U.S. companies have left South Africa and another 15 have announced they will soon be pulling out. Last year 49 companies left South Africa. [Text] [Umtata Capital Radio in English 0500 GMT 21 Mar 87 MB] /12624

SEABORNE IMPORTS OUTSTRIP EXPORTS--Seaborne imports outstripped exports by nearly nine-to-one last year. Latest Sats figures show nearly 81-million tons of imports were landed at SA harbours in 1986 while 9,3-million tons of exports shipped out. [Text] [Johannesburg BUSINESS DAY in English 5 Mar 87 p 1] /13104

# GENCOR INTO CHILEAN SHIPBUILDING VENTURE

Johannesburg FINANCIAL MAIL in English 20 Mar 87 p 87

**[Text]** Sandock-Austral (S-A), Gencor's low-profile heavy engineering and shipbuilding arm, is flexing its muscle in world markets.

After winning a US\$13m tender against international competition to build a shipyard at Punta Arenas, southern Chile, two and a half years ago, S-A entered into a 50-50 arrangement with Asmar, the Chilean navy's ship repairer. The jointly owned company is now operating the Strait of Magellan Shipyard.

Prospects for the new venture, situated on the main sea route from the Atlantic to the Pacific oceans, are good, says Pierre de Villiers, S-A MD and first chairman of the joint company.

"The nearest shipyard to service the ever-increasing flow of shipping traffic," he says, "is nearly 1 500 km away at Talcahuano on the Pacific coast of South America. On the Atlantic coast, the nearest yard is even further away — at Montevideo."

He points out that the industry is currently being boosted by the trend to ship refurbishing to avoid heavy capital outlay on replacement.

Also, the new ship repair facility lies in an area where mineral resources are being exploited and which is becoming increasingly important for the fishing industry.

The shipyard, now ready to receive its first vessel, consists of a marine railway drydocking system which retrieves vessels from the sea and then refloats them when repairs have been completed.

De Villiers is particularly proud of the fact that the entire project was managed by S-A. "Crandall of the US was our design consultant. But all the steel for the project came from SA; it was fabricated at our Durban shipyard and, together with our partner Asmar, we installed it on site at Punta Arenas. Now we are into the physical operation of the shipyard."

Encouraged by the success of the venture, S-A is now looking for new joint ventures overseas. The company always had a fairly sizeable stake in the export field through its involvement with Armscor and its expertise as a manufacturer of combat vehicles, but it has never publicised its activities.

"I think we have proved that we have the ability to handle major projects anywhere in

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10 June 1987